SENATE.

MONDAY, *August 14, 1911.*

Prayer by the Chaplain, Rev. Ulysses G. B. Pierce, D. D.

Mr. BACON, a Senator from the State of Georgia, took the chair as President pro tempore for the day, under the previous designation of the Senate.

The Journal of the proceedings of Saturday last was read and approved.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the bill (S. 3052) granting leave of absence to certain homesteaders, with an amendment, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills:

S. 2932. An act to authorize the Secretary of the Treasury, in his discretion, to sell the old post-office and courthouse building at Charleston, W. Va., and, in the event of such sale, to enter into a contract for the construction of a suitable post-office and courthouse building at Charleston, W. Va., without additional cost to the Government of the United States;

S. 3152. An act extending the time of payment to certain homesteaders in the Rosebud Indian Reservation, in the State of South Dakota; and

H. R. 2925. An act to extend the privileges of the act approved June 10, 1880, to the port of Brownsville, Tex.

PETITIONS AND MEMORIALS.

The PRESIDENT pro tempore presented a petition of sundry citizens of the United States, praying for the ratification of the proposed treaties of arbitration between the United States, Great Britain, and France, which was referred to the Committee on Foreign Relations.

Mr. NELSON presented a memorial of Local Division No. 1, Ancient Order of Hibernians, of Faribault, Minn., remonstrating against the ratification of the proposed treaty of arbitration between the United States and Great Britain, which was referred to the Committee on Foreign Relations.

NEZ PERCE INDIANS IN IDAHO.

Mr. BORAH. I present a memorial of the Nez Perce Indians residing in the State of Idaho, which I ask may be printed and referred to the Committee on Indian Affairs. (S. Doc. No. 97.)

The PRESIDENT pro tempore. The Senator from Idaho desires to have it printed as a document?

Mr. BORAH. Yes; if there is no objection, I should like to have it printed.

Mr. SMOOT. I should like to ask the Senator from Idaho what the document is?

Mr. BORAH. It is a memorial of the Nez Perce Indians residing in the State of Idaho as to their rights. I have gone over it hastily. There is nothing in it that would be objectionable, I take it.

Mr. SMOOT. Does the Senator think it is of sufficient importance to be printed as a public document?

Mr. BORAH. The memorialists have especially asked that it be printed, and I find no reason to deny their request.

Mr. SMOOT. I have no objection.

The PRESIDENT pro tempore. Without objection, the memorial will be printed as a document and referred to the Committee on Indian Affairs.

REPORTS OF COMMITTEES.

Mr. BORAH, from the Committee on Education and Labor, to which was referred the bill (S. 252) to establish in the Department of Commerce and Labor a bureau to be known as the children's bureau, reported it without amendment and submitted a report (No. 141) thereon.

Mr. CURTIS, from the Committee on the District of Columbia, to which was referred the bill (H. R. 11545) to authorize and direct the Commissioners of the District of Columbia to place the name of Annie M. Matthews on the pension roll of the police and firemen's pension fund, reported it without amendment.

ELIZA CHOTEAU ROSCAMP.

Mr. GAMBLE. I am directed by the Committee on Indian Affairs, to which was referred the bill (H. R. 11303) for the relief of Eliza Choteau Roscamp, to report it without amendment and I submit a report (No. 142) thereon. I ask unanimous consent for the present consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill. It authorizes the Secretary of the Interior to approve an order for the removal of restrictions upon alienation from the northeast quarter southeast quarter section 10, township 25 north, range 24 east, of the Indian meridian, Oklahoma, the homestead allotment of Eliza Choteau Roscamp, Seneca allotment No. 184, the removal of restrictions to become effective only and simultaneously with the execution of a deed by the allottee to the purchaser, after the land has been sold in compliance with the directions of the Secretary of the Interior.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PENROSE:

A bill (S. 3218) providing for the dedication of the Gettysburg National Military Park at Gettysburg, Pa.; to the Committee on Military Affairs.

By Mr. WETMORE:

A bill (S. 3219) granting a pension to Lottie I. Brown (with accompanying paper); to the Committee on Pensions.

By Mr. NELSON (for Mr. MCCUMBER):

A bill (S. 3220) for the relief of the heirs of Waldo M. Potter, deceased (with accompanying paper); to the Committee on Claims.

By Mr. WORKS:

A bill (S. 3221) making it unlawful to publish details of crimes and accidents in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. WATSON:

A bill (S. 3223) to increase the limit of cost for the United States post-office building at Sistersville, W. Va., and making appropriation therefor; to the Committee on Public Buildings and Grounds.

DECISION OF QUESTIONS CONCERNING CONSTITUTIONALITY.

Mr. BOURNE. Mr. President, I introduce a brief bill and will ask to have it read in order that it may appear in the CONGRESSIONAL RECORD.

The bill (S. 3222) to provide rules for speedy and final decision of questions concerning the constitutionality of national and State laws and constitutional provisions and for the interpretation and construction of the Federal laws and Constitution was read the first time at length, as follows:

Be it enacted, etc., That in any action, suit, or proceeding in the Supreme Court of the United States when the constitutionality of any provision of a Federal or State law, or of a State constitution, shall be drawn in quesion or decided, the constitutionality thereof shall be sustained unless the Supreme Court, by unanimous decision of all its members qualified to sit in the cause, shall determine that the provision in controversy is not authorized or is prohibited by the Constitution of the United States. That in any action, suit, or proceeding in the Supreme Court when the meaning, interpretation, or construction of any language of any Federal law or of the Constitution of the United States shall be drawn in question or decided, the same shall be interpreted and construed literally as the words are commonly understood in everyday use, unless the Supreme Court, by unanimous decision of all its members qualified to sit in the cause, shall decide that such literal interpretation is not the true expression of the legislative intention and meaning in the language in controversy.

SEC. 2. If any inferior Federal court, commission, or tribunal shall decide in any case that any provision of any such Federal or State law or provision of a State constitution is not authorized or is prohibited by the Constitution of the United States, or shall interpret or construe the meaning of any language of any Federal law or constitutional provision to be different from its literal verbal statements as the words are commonly understood in everyday use, it shall be the duty of said lower court, commission, or tribunal to forthwith certify said question of constitutionality, meaning, interpretation, or construction to the Supreme Court of the United States for final decision. Every such Federal inferior court, commission, and tribunal is hereby authorized, in the discretion of the members thereof, to certify any such question to the Supreme Court of the United States for decision in advance of the trial of the cause on the merits in said lower court, commission, or tribunal. The United States Department of Justice shall pay all the necessary expenses and costs of presenting every such question in the Supreme Court of the United States. It shall be the duty of the Supreme Court to advance every such cause over all other causes on the docket not directly involving the constitutionality, meaning, interpretation, or construction of any such act, law, or constitutional provision.

Mr. BOURNE. Mr. President, I shall not at this time present an argument upon this bill. The purpose of the measure will, I think, be readily apparent. The Congress of the United States is one of the coordinate branches of our Government. A very considerable number of the Members of both Houses of Congress are learned in the law, and some of them are lawyers of considerable renown. In each House there is a Committee on Judiciary, composed of the strongest and ablest lawyers in each body, which committees give particular study to constitutional questions arising when proposed laws are under consideration.

Because Congress is a coordinate branch, and because of the careful attention the Members of Congress give to constitutional questions arising regarding legislation, it has been held by the United States Supreme Court that no act of Congress should be held to be in violation of the Constitution unless the conflict appears beyond reasonable doubt. Thus the court said in Ogden *v.* Saunders (12 Wheat., 269):

> It is but a decent respect due to the wisdom, the integrity, and the patriotism of the legislative body by which any law is passed to presume in favor of its validity until its violation of the Constitution is proved beyond all reasonable doubt.

The Supreme Court has, however, in numerous instances held to be unconstitutional acts of Congress which some of the members of the Supreme Court believed to be entirely in harmony with our fundamental law. In cases such as this there certainly existed a very substantial doubt whether the measure in question was in fact in contravention of the Constitution.

In my opinion, unless a State law or an act of Congress is so clearly unconstitutional that the court will be unanimous in so declaring, the decision of the court should uphold the validity of the act.

I think it is generally conceded there is no express authority for the Supreme Court's exercise of power to declare a law unconstitutional. This power has been assumed by the court as an incident of the exercise of the powers expressly conferred. I believe it is within the power of Congress to prescribe the number of concurring judges necessary in arriving at a decision which shall constitute the decision of the court. The first section of the bill I have offered requires that where a State law or an act of Congress is declared unconstitutional the court must be unanimous. One dissenting vote will establish the existence of a reasonable doubt. It also provides that the language of an act must be construed literally unless the court, by unanimous decision, rule otherwise.

Regarding the second section of the bill, I wish merely to say that it is important that every constitutional question be determined at as early a date as possible by the highest court in the land; and, therefore, when any Federal or State law is held unconstitutional by an inferior Federal court, the question should be immediately certified to the United States Supreme Court.

The purpose of this bill is not to allow one, two, three, or four members of the Supreme Court to overrule eight, seven, six, or five members of that distinguished branch of our Government; but, rather, to enable one, two, three, or four members of that court to prevent eight, seven, six, or five of its members from overruling the wishes of the Nation, as expressed through Congress, or the wishes of a sovereign State, as expressed by its electorate or by its legislature.

I have requested that the bill be printed in the RECORD, and have made this explanation in the hope that the subject will be given discussion by both the laity and the legal fraternity before it comes up for consideration before the Judiciary Committee, to which I ask that it be referred.

Mr. HEYBURN. Mr. President, I am impelled to recognize the entrance of another one of those oddities in proposed legislation that is consistent with a persistent attempt that is being made that the minority shall rule in this country. All of these new-fad political cults are based upon the demand that the minority shall rule—every one of them.

Now, here comes a proposition this morning that the majority of our supreme courts or of the Supreme Court of the United States shall not express the ultimate judgment of the court, but that a minority shall be recognized, not as an equally potent power but as a superior power; and the Senator from Oregon states that that is the purpose of the legislation.

I am interested in the development of the possibilities of danger. We must be interested in order to be alert and on our guard against these things. They sound plausible, and to those who are not trained in the consideration of public questions they are often very misleading. They are generally coupled with honeyed phrases—the people, the rights of the people, the oppression of the people, the grinding monopolies, and such like expressions; and the people start up in sudden alarm and say, "Why, can that be true? Are we being oppressed, or are we in danger at the hands of these familiar conditions?" Some one is always at hand to say, "Why, certainly; this crushing, grinding force is going to destroy you." By and by, of course, they will say, "Well, where is this enemy?" And by that time perhaps the sponsor will have disappeared and be not at hand to answer the question, but the virus has been placed in the minds of the people.

I ran across it since we adjourned on Saturday. I had my attention called to the utterances of a Senator from the State of Oregon on this question of substituting irresponsibility for responsibility in government.

It was at the hands of a substantial old gentleman who has lived to be almost 80 years of age and had participated, as he thought, in an intelligent and reasonable way in affairs. He had received a copy of this speech, and he said to me, addressing me by my familiar personal name, "Can it be possible that this man is right?" He said, "He proposes to substitute an entirely new form of government for that which I have been accustomed to for a long lifetime. Is there anything in it?" I said, "No; it is a cross between populism and anarchy. Do not be led away by it, and tell your neighbors not to be led away by it." It is absolutely a man's duty in this age to warn those who inquire in regard to these things, and if he does not warn them and do what he can to meet it, he fails in the performance of his duty.

Now, here we come with a proposition that all courts, in effect, shall not act until after the violation of the law has been completed. That is what it amounts to. It stays the prohibitive arm of the court that holds men and measures in the status of safety until after these vandals, who would violate every man's right, have had time to complete their nefarious act. That is what it means.

Now, the Senator said that Congress is composed of men learned in the law. Thank God it is; but if any countenance is ever given to that kind of legislation I shall have reason to recant and take back that expression. That the courts may not proceed to determine the conclusion in a case by a majority of the court simply means that you will dictate to the court what they would do, and allow the minority to prevent the rendition of judgments. In these the closing days of this session this proposition comes to us to go out to poison the atmosphere during the interval of our absence before we return to the regular session. The doctrine is as dangerous as that behind the iron cages in the courts of Rome to-day, as dangerous as the preachings of the Black Hand and the mob. Let it grow, and it grows by the inattention of those who are wise enough and brave enough to know better.

The hour for plain speaking has arrived. It is one thing after another each day, sapping and undermining the confidence of the people in their institutions and in their government. It is high time that no occasion be allowed to pass for uttering a word of disapproval and rebuke to those who would thus subtly sap and undermine the institutions, because when you send out such propositions, when you utter them, you violate the rules of patriotism and good citizenship, and you leave in men's minds this virus that in times of stress, which are coming upon us perhaps, will sprout and grow in a night. Then these dangerous doctrines will be invoked as the cause for the existing conditions and as the remedy against them. Have we not seen it in the lifetime of all of us? We see it charged that the conditions that confronted us were the result of these enforcements of the law against which this proposed measure is directed. The people, in the blindness and desperation of their misery, will reach out and grasp at anything that is even labeled relief to them; they will take this false doctrine in those dread hours of distress and build up sentiments that go over the lawful purposes of government and crush it down, until they have been exhausted by their own rottenness, discovered by the thinking and conservative minds of the people, and are swept away off the decks, and the old ship comes up again and rides the waves, disencumbered from this blindness that had sunk her down. It is time that we met them, even in the very hour and very moment of their utterance, rather than to allow them to go out and sprout and begin to germinate and to corrupt the public mind and the atmosphere of patriotism.

The PRESIDENT pro tempore. In the absence of objection, the bill will be considered as read twice, by its title, and referred to the Committee on the Judiciary.

Mr. HEYBURN. I object to the second reading of the bill.

The PRESIDENT pro tempore. The bill has been read the first time. It will await the further action of the Senate for its second reading.

TARIFF DUTIES ON WOOL.

Mr. SMITH of Michigan. Mr. President, I notice the conferees on the part of the Senate who had charge of the wool bill (H. R. 11019) are nearly all present on the floor, and I desire to inquire of the Senator from Pennsylvania [Mr. PENROSE] if he can tell the Senate how it happened that the conference report on that bill has gone to the House of Representatives before it was made to the Senate? I want to say that the House of Representatives, having asked for the conference, under all the rules of procedure followed in both Houses of Congress for the last 15 years, the conference report should first have been made to

the Senate; and I desire to enter my protest of record against any attempt on the part of the conferees of the Senate to change a rule that is so well recognized as the rule to which I refer. Would the Senator from Pennsylvania kindly indicate how it happened that the original papers were reported to the House of Representatives by the House conferees before they were reported to the Senate?

Mr. PENROSE. Mr. President, the Senator from Michigan, of course, is entirely right in his contention, so far as the practice and the precedents go in these matters. Unfortunately, I have been absent for four days, and was not present at the meeting of the conferees, not being much of a factor therein, anyway, under the circumstances. I would refer the Senator from Michigan to the Senator from Wisconsin [Mr. LA FOLLETTE], who may be able to enlighten him on the subject. The chairman of the Ways and Means Committee of the other House appears to have had possession of the papers and reported them to the House of Representatives.

Mr. SMITH of Michigan. I shall be very glad if the Senator from Wisconsin will give me his attention for a moment, and I will address my inquiry to him. I asked the Senator from Pennsylvania, the chairman of the conference committee on the wool bill, how it happened that the conferees on the part of the Senate did not first report the result of the conference to this body, in accordance with the uniform practice recognized not only by the Senate, but by the other branch of Congress for many years, and which I feel involves a very serious question if the custom or rule of parliamentary procedure is abandoned without protest.

As I said to the Senator from Pennsylvania a moment ago, the wool bill came to the Senate by a message from the House; the Senate amended it and sent it back to the House of Representatives, who refused to concur in the Senate amendments and asked for a conference. Under all the proceedings hitherto with which Senators are familiar, the conference report should have been made to this body by the conferees on the part of the Senate.

Mr. LODGE. The House of Representatives asked for the conference.

Mr. WARREN. The Senate granted the conference.

Mr. LODGE. The Senate granted it, and had the papers.

Mr. SMITH of Michigan. The Senate had the papers. Without any intention to find fault with anyone, I desire that the matter shall not be passed over lightly and our function in any way impaired by apparent acquiescence when it may become very material and important in future proceedings, as it has in the past. I desire to know whether there was any formal abandonment on the part of the Senate conferees of this parliamentary right of the Senate to the custody of the original papers submitted to them?

Mr. LA FOLLETTE. Mr. President, in reply to the Senator from Michigan, I will state that there was no formal abandonment of the right of the Senate conferees to the papers. I apprehend that the innovation arose in this way: The papers were in the possession of the House conferees; they should have been delivered, under the rules, when an agreement was reached to the Senate conferees; but they were not delivered and were retained by the House conferees. The papers remained in the hands of the House conferees, and were presented there before they were presented here. I think it was a manifest violation of the rule.

Mr. REED. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Missouri?

Mr. LA FOLLETTE. I suppose I am not speaking in a tone of voice to be heard on the other side of the Chamber.

Mr. REED. No; we can not hear the Senator.

Mr. LA FOLLETTE. I beg the Senator's pardon. I was merely saying that the papers, under the rule, should have been delivered after an agreement had been arrived at by the House conferees to the Senate conferees.

Mr. WARREN. They should have been delivered into your hands when the House asked for a conference, or immediately upon proceeding to compose the disagreements between House and Senate.

Mr. LA FOLLETTE. That may be so. I presume a great deal of this trouble arose from the fact, Mr. President, that I am serving for the first time, I think, in my life on a conference committee. During my five or six years' service in this body I have been mostly on unimportant committees that never met and never had charge of legislation.

Mr. SMITH of Michigan. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Michigan?

Mr. SMITH of Michigan. If the Senator from Wisconsin——

Mr. LA FOLLETTE. I will yield in a moment. I wanted to be heard upon the other side of the Chamber with my explanation as well as upon this side. I was stating that at the close of the conference when an agreement was reached I left the conference committee room very hastily, because I was not well, went to my committee room and left the papers with the conferees of the other House, and they were reported first to the House. This question was then raised in the House, but the report, after some debate, was received by the House.

Mr. WARREN. May I ask the Senator a question?

Mr. LA FOLLETTE. Certainly.

Mr. WARREN. Was there any agreement on the part of the conferees that they should so act?

Mr. LA FOLLETTE. There was absolutely nothing said about it at the time of the final meeting of the conferees on the morning of the day the report was made to the House. The fact, I suppose, that the papers were left in the possession of the House conferees was treated by the House conferees as a waiver on the part of the Senate conferees of their right to first present the report here; but, Mr. President, I do not think that any serious harm has resulted from that action. The report will be presented to the Senate to-day, and I trust it will be received by the Senate.

Mr. SMITH of Michigan. Mr. President, I have no disposition whatever to criticize the conduct of the Senator from Wisconsin or other conferees. However, I must disagree with him that no harm is likely to result, because if the rules governing this body as well as the other are to be subjected to the convenience merely of members of conference committees, the advantage of a retention of the original papers after the conferees have agreed will be greatly to the disadvantage of the Chamber to which they properly belong. I could not permit the matter to pass unchallenged without calling the attention of Senators to it that it may not constitute a precedent for the future or bind this body now.

The House is most insistent in such matters. The Appropriations Committee of the House of Representatives have insisted again and again upon this right, when, under the rule, they become possessed of the engrossed bill, to the original papers in a controversy between the two Houses after conference agreement. While I have no doubt that the Senator from Wisconsin acted from the most conscientious motives, and I have no disposition to find fault with him, my inquiry was directed to the chairman of the conference committee, who, under all the usages and all the practices of this body would have brought to us the conference report.

Mr. LA FOLLETTE. Mr. President, the chairman of the conference committee was absent, and the duty of claiming the papers plainly devolved upon me. The fact that I did not claim the papers was due to the fact that I did not know the rule.

Mr. SMITH of Michigan. If the Senator will permit me——

Mr. LA FOLLETTE. I will say that; and if I had been advised of the rule I should have remained in the conference long enough to have secured possession of the papers.

Mr. SMITH of Michigan. But, Mr. President, the Senator did not have to claim the papers in order to get them.

Mr. LA FOLLETTE. If the Senator from Michigan will point out some real serious injury that has resulted from this omission upon my part, I will be much obliged to him.

Mr. SMITH of Michigan. I will point out one now. The possession of these papers on the part of the House of Representatives makes it entirely possible for them to concur, under changed parliamentary conditions in the Senate amendments, thus disregarding the conference report when the presence of Senators formerly absent from the deliberations of this body might alter completely previous proceedings and determine to hold the bill for future consideration if in our possession at the time.

Mr. BAILEY. If the Senator will pardon me, circumstances might arise which might make that advantageous to them, but it is absolutely of no advantage to them now and particularly so when the conferees have agreed.

Mr. SMITH of Michigan. If it is of no advantage to them, why did they claim the papers? Why did they not hand the original papers to the conferees on the part of the Senate without any request and in accordance with the universal custom observed here between the two Houses, and specifically set forth in Jefferson's Manual, recognized in our procedure as good parliamentary law?

Mr. LA FOLLETTE. Mr. President, I think that the House conferees retained the papers simply because the papers were left with them. I will state to the Senator from Michigan that,

if it is possible for him to overlook this infraction of the rules this time, I think it can be promised to him that certain Members of the Senate who have not had occasion to make such study of the rules as some other Members upon this side have, will in the course of events become so familiar with the rules that these fine technicalities will be fully complied with.

Mr. BAILEY. Will the Senator from Wisconsin permit me?

Mr. LODGE. Mr. President——

The PRESIDENT pro tempore. To whom does the Senator yield?

Mr. LA FOLLETTE. I yield to the Senator from Texas?

Mr. BAILEY. As a matter of fact, neither the Senator from Wisconsin nor the other members of the conference committee were advised, as I understand, of the papers being with the House until after we met in conference and they told us so.

Mr. LA FOLLETTE. That is true.

Mr. BAILEY. And if there was any mistake, it was a mistake not of the Senate conferees and not of Senators, but the mistake of whoever delivered the papers.

Mr. SMITH of Michigan. I am not charging any mistake or any intentional disregard of the rules on the part of the conferees of the Senate. The papers should have been handed to the Senate conferees without any demand.

Mr. BAILEY. When the Senator says that the conferees on the part of the Senate disregarded the rule, which I understood him to say——

Mr. SMITH of Michigan. I did not say that. I said that the conferees on the part of the House had disregarded the rule; they should have turned those papers over to the Senate conferees, and the report should first have been made here. Does the Senator from Texas deny that?

Mr. BAILEY. Well, Mr. President, I do not deny that. That would have been the orderly procedure; and if we had reached a point where it was material, I think the Senate could have safely depended on its conferees to insist, notwithstanding the clerical error—for that is all it was that carried the papers back to the House—upon the possession of the papers, as we were entitled to do under the rule; but it became wholly immaterial, and, therefore, the papers being with the House conferees, we left them there.

Mr. LODGE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Massachusetts?

Mr. LA FOLLETTE. I do.

Mr. LODGE. Did I understand the Senator from Wisconsin to say that the papers were not in the possession of the Senate when the conferees met?

Mr. LA FOLLETTE. That is true; they were in the possession of the House.

Mr. LODGE. Then, Mr. President, the mistake goes back of the conferees. The Senate made certain amendments to the House bill and sent the bill back thus amended to the House; the House insisted on its amendments and asked for a conference, appointing its conferees, and sent the papers back to the Senate. We agreed to the conference, appointed our conferees, and were in possession of the papers.

Mr. SMITH of Michigan. We returned the papers to the House.

Mr. LODGE. How did we return the papers?

Mr. SMITH of Michigan. The papers were returned when the Senate acceded to the request for a conference.

Mr. BAILEY. When it agreed to the request for a conference.

Mr. SMITH of Michigan. And the House conferees were in possession of the papers appropriately until the conferees agreed.

Mr. LA FOLLETTE. I am sorry to see this disagreement between Senators, who insist that error has been committed in a very serious matter.

Mr. LODGE. I confess I had understood the papers were in the possession of the Senate. Although I have had some experience on conference committees, I am never clear at the end of the conference to which House the report should be made. It is a small and in itself unimportant point. The only importance in connection with it is that the practice should be uniform. It really makes no other difference.

Mr. LA FOLLETTE. I think that is true; and I will say to the Senator from Massachusetts that I hope to become familiar enough with the practice to conform to the rules governing conference reports.

Mr. WARREN. May I interrupt the Senator?

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from Wyoming?

Mr. LODGE. Certainly; I yield to the Senator.

Mr. WARREN. It makes a wider difference than that, because, the conferees having agreed, the Senate, for instance, being the House to which the conference report should be first presented, first takes action on the conference report; and that gives the Senate the first opportunity to say whether the work of the conferees is satisfactory or not.

If a conference report erroneously goes back to the House, and the House sees fit to amend it, then when it comes to us it is not the work of the conference, but the work of the conference supplemented by the House, and we are at a disadvantage, of course.

Mr. LODGE. The House that grants the conference, as I understand, is the House to which the report has first to be made; and I had supposed that the papers were necessarily in possession of the House granting the conference.

Mr. WARREN. May I again interrupt the Senator?

Mr. BAILEY. Not necessarily, but properly.

Mr. LODGE. Properly.

Mr. WARREN. They should always be. The House having been notified that the conference had been granted, the papers should be within the call of the House granting the conference.

Mr. LODGE. Precisely.

Mr. WARREN. And the House granting the conference should report first. The House rules are different from ours. On the House side the conferees have to make a statement, and the statement is offered and printed a day before the conference report is taken up for action.

Mr. LODGE. They have to do that under their rules.

Mr. WARREN. But they uniformly wait until we have reported here, in all cases when the Senate's action comes first—that is, when the House has asked for and the Senate has granted a conference.

Mr. LODGE. But the point I want to get at is how the Senate failed to have possession of the papers?

Mr. WARREN. That was an oversight, probably. The Senate conferees were certainly entitled to the papers and the Senate to the first report.

Mr. CULLOM. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from Illinois?

Mr. LODGE. I yield to the Senator from Illinois.

Mr. CULLOM. I do not know whether any special importance attaches to anything I may say on this subject. I acted as chairman of the committee during the consideration of the bill in conference. I did so because the honorable Senator from Pennsylvania [Mr. PENROSE] was necessarily absent from the city. I did not myself pay any attention to the question where the papers were. We had the bill before us, and the consideration of the case came up, and we were merely passengers; I mean to say the Republicans on that committee were merely passengers—both the Members of the House who were Republicans as well as myself and——

Mr. LA FOLLETTE. That is, some of the Republicans were merely passengers.

Mr. CULLOM. I mean the straight Republicans.

Mr. LA FOLLETTE. I would not say the crooked Republicans, of course, to my friend the Senator from Illinois.

Mr. CULLOM. All right. I will not say crooked Republicans one way or the other; but the fact was, as everybody knows, that certain Republicans on that committee had no part or lot in the consideration of the bill in conference except as it devolved upon the chairman to preside and keep order.

But when the time came that we finished the bill, and those really in charge of it and who did the voting got through with it and agreed, I said to my next neighbor, the Senator from Wisconsin [Mr. LA FOLLETTE], "You take the papers and get along with the balance of the work without anything from me." I turned them over to him because he was the author of the bill and, of course, was more interested in its success, as they had it framed, than I was.

That is the story of the case. I knew nothing about where the actual papers were, but I heard some talk, I think, of the fact that they were in the possession of the House.

Mr. LA FOLLETTE. Will the Senator from Illinois permit me?

The PRESIDENT pro tempore. The Senator from Massachusetts has the floor. Does the Senator from Massachusetts yield to the Senator from Wisconsin?

Mr. LODGE. Certainly.

Mr. LA FOLLETTE. The Senator from Illinois did not have possession of the actual papers, and he did not turn them over to me. He is mistaken about that. I never had possession of the actual papers.

Mr. CULLOM. I did not mean to say that I turned over the actual papers, but I did say to the Senator to take charge of the

case and take care of them. I knew nothing about what was done with the papers—whether they were with the Senate conferees or with those on the part of the House. I hope nothing further will come from it except what is fair and right.

Mr. LODGE. There is no question, I think, of the rule that the report is first to be made to the House granting the conference.

Mr. BAILEY. Will the Senator from Massachusetts permit me here?

Mr. LODGE. That is shown by the papers being in possession of the House granting the conference. Now, under——

Mr. BAILEY. Will the Senator from Massachusetts permit me just here?

Mr. LODGE. Certainly.

Mr. BAILEY. It has been held repeatedly in the House that a committee can not make a report unless it has possession of the papers.

Mr. LODGE. Precisely.

Mr. BAILEY. The Senator from Massachusetts is entirely right in saying that the House granting the conference is entitled to the papers, and if we were in possession of the papers we would be required first to make the report.

Mr. LODGE. Precisely; I was coming to that exact point. As the House granting the conference, we should have been in possession of the papers, and there could have been no question then as to where the report should first be made. But it appears from the statement of the conferees that we were not in possession of the papers, and that is a fault somewhere else.

Mr. BAILEY. I desire to say to the Senator from Massachusetts that it can hardly be imputed as a fault to anybody. I hardly think we ought to put the responsibility on the clerk, who must sit silent while we say these things. The whole mistake arose out of the fact that when the Senate consented to the conference which the House had requested, the clerk of the Senate carried the papers back to the House.

It happens in this case that it is not at all material. I think if it had been material, if there had been disagreements which made it a matter of any importance as to which House should first consider the report, we would have insisted on having the papers, and yet I doubt if the House would have yielded to that insistence.

Mr. LODGE. That is precisely it. The point I am trying to make is that the House had no business to have those papers in its hands.

Mr. BAILEY. That is true, but we can hardly complain of the House because they received them when they were sent back.

Mr. LODGE. Somebody gave those papers to the House conferees.

Mr. BAILEY. The clerk of the Senate. That is the whole of it.

Mr. LODGE. I am answered.

Mr. BAILEY. It is a mistake that amounts to nothing.

Mr. LODGE. I am answered. If that is where the mistake occurred, the House did right to go ahead, being in possession of the papers——

Mr. BAILEY. Of course it did.

Mr. LODGE. And the fault was ours.

Mr. BAILEY. No; the fault was not ours.

Mr. LODGE. I do not mean our conferees.

Mr. BAILEY. Nor was it the fault of the Senate, because the Senate did not know what had been done, and the conferees did not know what had been done; and when we found what had been done, if it had been important enough to justify it, we might have come back to the Senate and said, "We are entitled to the papers before we go into conference, and we ask the Senate to request the House to return the papers." But we did not think that important.

Mr. LODGE. That is the business, of course, of the clerks of the Houses. Through them pass the papers, and the papers ought never to have been in the possession of the House when we entered on that conference.

Mr. BAILEY. That is true.

Mr. WARREN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from Wyoming?

Mr. LODGE. I yield.

Mr. WARREN. I do not like to have an undue amount of blame cast upon the clerks of the Senate, because it does not belong there. When a conference is agreed upon, the clerks at the desk send the papers naturally to the place where they ought to go—to the clerk who has charge of printing the papers. It has been so usual for either side of the conference committee to obtain possession of the papers temporarily if they wanted to see them that it never has occurred to my knowledge, in the somewhat long experience I have had here in conferences, that there has been any difficulty or difference over the papers; it is so well established where they belong.

Now, if the House had the papers and had had them all the time, the moment they go into conference the papers are the joint property of both until they are through, and then they belong to the House that granted the conference. There is no question about that.

Mr. BRANDEGEE. I ask that the Secretary read for the information of the Senate from the top of page 438 of the Manual, paragraph 35, so that it may appear in the RECORD.

The PRESIDENT pro tempore. If there be no objection, the Secretary will read as requested.

The SECRETARY. On page 438 of the Manual, paragraph 35:

35. A conference report is made first to the House agreeing to the conference.

(NOTE.—This rule seems to follow from the principle laid down by Jefferson (Manual, sec. 46) that "in all cases of conference asked after a vote of disagreement, etc., the conferees of the House asking it are to leave the papers with the conferees of the other," thus putting the agreeing House in possession of the papers, and has been the usual practice in Congress.)

Mr. SMITH of Michigan. I do not wish to be misunderstood. The papers were in the hands of the House conferees—appropriately there—when the conference assembled. Under the rule just read, it was the duty of the House conferees to turn those papers over to the Senate conferees. I am finding no fault with the Senate conferees for not asking for the papers. Under the rule, well understood and recognized by the House conferees, we were entitled to the papers and entitled to have the conference report made here first. The failure to ask for them I do not think is at all serious. It is the failure upon the part of the House conferees to deliver them in accordance with the universal custom of which I complain.

Now, I am not going to make any motion that the conferees be directed to return those papers to the Senate, where they should have been returned, but I am putting on the record a protest against any waiver of that right, either by reason of the failure of the House conferees to notify the Senate conferees of their right to have them or otherwise. That is my sole purpose and intention.

PUBLICITY OF CAMPAIGN EXPENDITURES.

Mr. DILLINGHAM submitted the following report (S. Doc. No. 96):

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 29S8) to amend an act entitled "An act providing for publicity of contributions made for the purpose of influencing elections at which Representatives in Congress are elected," having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 6.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, and 4, and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same, amended to read as follows, viz:

SEC. 2. That section 8, as above amended, and sections 9 and 10 of said act be renumbered as sections 9, 10, and 11, and that a new section be inserted after section 7 of the said original act, to read as follows:

"SEC. 8. The word 'candidate' as used in this section shall include all persons whose names are presented for nomination for Representative or Senator in the Congress of the United States at any primary election or nominating convention, or for indorsement or election at any general or special election held in connection with the nomination or election of a person to fill such office, whether or not such persons are actually nominated, indorsed, or elected.

"Every person who shall be a candidate for nomination at any primary election or nominating convention, or for election at any general or special election, as Representative in the Congress of the United States, shall, not less than 10 nor more than 15 days before the day for holding such primary election or nominating convention, and not less than 10 nor more than 15 days before the day of the general or special election at which candidates for Representative are to be elected, file with the Clerk of the House of Representatives at Washington, D. C., a full, correct, and itemized statement of all moneys and things of value received by him or by anyone for him with his knowledge and consent, from any source, in aid or support of his

candidacy, together with the names of all those who have furnished the same in whole or in part; and such statement shall contain a true and itemized account of all moneys and things of value given, contributed, expended, used, or promised by such candidate, or by his agent, representative, or other person for and in his behalf with his knowledge and consent, together with the names of all those to whom any and all such gifts, contributions, payments, or promises were made, for the purpose of procuring his nomination or election.

"Every person who shall be a candidate for nomination at any primary election or nominating convention, or for indorsement at any general or special election, or election by the legislature of any State, as Senator in the Congress of the United States, shall, not less than 10 nor more than 15 days before the day for holding such primary election or nominating convention, and not less than 10 nor more than 15 days before the day of the general or special election at which he is seeking indorsement, and not less than 5 nor more than 10 days before the day upon which the first vote is to be taken in the two houses of the legislature before which he is a candidate for election as Senator, file with the Secretary of the Senate at Washington, D. C., a full, correct, and itemized statement of all moneys and things of value received by him or by anyone for him with his knowledge and consent, from any source, in aid or support of his candidacy, together with the names of all those who have furnished the same in whole or in part; and such statement shall contain a true and itemized account of all moneys and things of value given, contributed, expended, used, or promised by such candidate, or by his agent, representative, or other person for and in his behalf with his knowledge and consent, together with the names of all those to whom any and all such gifts, contributions, payments, or promises were made for the purpose of procuring his nomination or election.

"Every such candidate for nomination at any primary election or nominating convention, or for indorsement or election at any general or special election, or for election by the legislature of any State, shall, within 15 days after such primary election or nominating convention, and within 30 days after any such general or special election, and within 30 days after the day upon which the legislature shall have elected a Senator, file with the Clerk of the House of Representatives or with the Secretary of the Senate, as the case may be, a full, correct, and itemized statement of all moneys and things of value received by him or by anyone for him with his knowledge and consent, from any source, in aid or support of his candidacy, together with the names of all those who have furnished the same in whole or in part; and such statement shall contain a true and itemized account of all moneys and things of value given, contributed, expended, used, or promised by such candidate, or by his agent, representative, or other person for and in his behalf with his knowledge and consent, up to, on, and after the day of such primary election, nominating convention, general or special election, or election by the legislature, together with the names of all those to whom any and all such gifts, contributions, payments, or promises were made for the purpose of procuring his nomination, indorsement, or election.

"Every such candidate shall include therein a statement of every promise or pledge made by him, or by anyone for him with his knowledge and consent or to whom he has given authority to make any such promise or pledge, before the completion of any such primary election or nominating convention or general or special election or election by the legislature, relative to the appointment or recommendation for appointment of any person to any position of trust, honor, or profit, either in the county, State, or Nation, or in any political subdivision thereof, or in any private or corporate employment, for the purpose of procuring the support of such person or of any person in his candidacy, and if any such promise or pledge shall have been made the name or names, the address or addresses, and the occupation or occupations of the person or persons to whom such promise or pledge shall have been made, shall be stated, together with a description of the position relating to which such promise or pledge has been made. In the event that no such promise or pledge has been made by such candidate, that fact shall be distinctly stated.

"No candidate for Representative in Congress or for Senator of the United States shall promise any office or position to any person, or to use his influence or to give his support to any person for any office or position for the purpose of procuring the support of such person, or of any person, in his candidacy; nor shall any candidate for Senator of the United States give, contribute, expend, use, or promise any money or thing of value to assist in procuring the nomination or election of any particular candidate for the legislature of the State in which he resides, but such candidate may, within the limitations and restrictions and subject to the requirements of this act, contribute to political committees having charge of the disbursement of campaign funds.

"No candidate for Representative in Congress or for Senator of the United States shall give, contribute, expend, use, or promise, or cause to be given, contributed, expended, used, or promised, in procuring his nomination and election any sum, in the aggregate, in excess of the amount which he may lawfully give, contribute, expend, or promise under the laws of the State in which he resides: *Provided*, That no candidate for Representative in Congress shall give, contribute, expend, use, or promise any sum, in the aggregate, exceeding $5,000 in any campaign for his nomination and election; and no candidate for Senator of the United States shall give, contribute, expend, use, or promise any sum, in the aggregate, exceeding $10,000 in any campaign for his nomination and election: *Provided further*, That money expended by any such candidate to meet and discharge any assessment, fee, or charge made or levied upon candidates by the laws of the State in which he resides, or for his necessary personal expenses, incurred for himself alone, for travel and subsistence, stationery and postage, writing or printing (other than in newspapers) and distributing letters, circulars, and posters, and for telegraph and telephone service, shall not be regarded as an expenditure within the meaning of this section, and shall not be considered any part of the sum herein fixed as the limit of expense and need not be shown in the statements herein required to be filed.

"The statements herein required to be made and filed before the general election, or the election by the legislature at which such candidate seeks election, need not contain items of which publicity is given in a previous statement, but the statement required to be made and filed after said general election or election by the legislature shall, in addition to an itemized statement of all expenses not theretofore given publicity, contain a summary of all preceding statements.

"Any person, not then a candidate for Senator of the United States, who shall have given, contributed, expended, used, or promised any money or thing of value to aid or assist in the nomination or election of any particular member of the legislature of the State in which he resides shall, if he thereafter becomes a candidate for such office, or if he shall thereafter be elected to such office without becoming a candidate therefor, comply with all of the provisions of this section relating to candidates for such office, so far as the same may be applicable; and the statement herein required to be made, verified, and filed after such election shall contain a full, true, and itemized account of each and every gift, contribution, expenditure, and promise, whenever made, in anywise relating to the nomination or election of members of the legislature of said State, or in anywise connected with or pertaining to his nomination and election, of which publicity is not given in a previous statement.

"Every statement herein required shall be verified by the oath or affirmation of the candidate, taken before an officer authorized to administer oaths under the laws of the State in which he is a candidate, and shall be sworn to or affirmed by the candidate in the district in which he is a candidate for Representative, or the State in which he is a candidate for Senator in the Congress of the United States: *Provided*, That if at the time of such primary election, nominating convention, general or special election, or election by the State legislature said candidate shall be in attendance upon either House of Congress as a Member thereof he may at his election verify such statements before any officer authorized to administer oaths in the District of Columbia: *Provided further*, That the depositing of any such statement in a regular post office, directed to the Clerk of the House of Representatives or to the Secretary of the Senate, as the case may be, duly stamped and registered, within the time required herein shall be deemed a sufficient filing of any such statement under any of the provisions of this act.

"This act shall not be construed to annul or vitiate the laws of any State, not directly in conflict herewith, relating to the nomination or election of candidates for the offices herein named, or to exempt any such candidate from complying with such State laws."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate amending the title of the bill and agree to the same with an amendment, so that the title as amended will read as follows, viz:

"An act to amend an act entitled 'An act providing for publicity of contributions made for the purpose of influencing elections at which Representatives in Congress are elected' and extending the same to candidates for nomination and election to

the offices of Representative and Senator in the Congress of the United States and limiting the amount of campaign expenses."

And the Senate agree to the same.

WILLIAM P. DILLINGHAM,
ROBERT J. GAMBLE,
JOS. F. JOHNSTON,
Managers on the part of the Senate.

W. W. RUCKER,
M. F. CONRY,
M. E. OLMSTED,
Managers on the part of the House.

Mr. WARREN. Will the Senator from Vermont state the changes more fully than they are explained in the report?

Mr. DILLINGHAM. The first four amendments proposed by the Senate are agreed to by the House. The fifth amendment, to which it disagreed, was the committee amendment of the Senate, which was very fully debated. Some slight changes were needed to this amendment, and it was thought more convenient to report the committee amendment of the Senate in full with those proposed changes.

Those changes were substantially as follows: In addition to making the act apply to candidates for nomination in the primary elections, it has been extended to apply to candidates before nominating conventions, and the provisions of the act are further extended so as to apply to all special elections as well as general elections. These changes are proposed in that portion of the section relating to the nomination of Members of the House, and also in that paragraph relating to the elections of Senators. The phraseology of the latter part of the committee amendment has been changed as to contributions made or promised by any candidate or other person for and in his behalf, "with his knowledge and consent."

In the next clause of the Senate amendment, which relates to promises made by the candidate to recommend persons to positions of trust, honor, or profit, or for other purpose, an amendment is proposed to make it apply specifically to promises made for the purpose of procuring the support of the person to whom they were made, or of any person, to his candidacy. It is simply perfecting the phraseology of that provision.

Mr. OVERMAN. What is meant by the words "for any other person"?

Mr. DILLINGHAM. I do not think I made that clear. The provision is as follows:

> Every such candidate shall include therein a statement of every promise or pledge made by him, directly or indirectly, or by anyone for him with his knowledge, or to whom he has given authority to make any such promise or pledge, before the completion of any such primary or general election, or election by the legislature, relative to the appointment or recommendation for appointment of any person to any position of trust, honor, or profit, either in the county, State, or Nation, or in any political subdivision thereof, or in any private or corporate employment—

Now comes the amendment—

> for the purpose of securing the support of such person or of any other person in his candidacy.

The purpose was not clear in the original draft and that was inserted to make it so.

Then follows a new draft of the provisions of what is known in the Senate as the Reed amendment, leaving out the provision that—

> No such candidate for the Senate or House of Representatives shall expend, or cause to be expended, a sum in the aggregate exceeding 10 cents for each voter in his district or State.

All other provisions of the Reed amendment are preserved, but are rewritten with certain modifications.

For instance, a candidate is permitted to expend money which the law of his State requires him to spend in primary elections. A provision is also made as to what expenditures may be withheld from the statement, as, for instance, personal expenses, the cost of printing letters or circulars, payment of postage, telegraph bills, and other expenses of that character; but, in brief, the Reed amendment has been rewritten and made to apply to as many conditions as it occurred to the committee might arise in an effort to make its provisions operative.

I do not suppose that the changes proposed have been made very clear by the reading of the report just completed. I might, if time allowed, take up each one of them and explain it; but, as I have stated, it was the intention of the conferees to preserve the provisions of the Reed amendment, but to place them in a somewhat different form.

Mr. BORAH. Is there objection to letting the conference report go over and having it printed?

Mr. DILLINGHAM. I have no objection to having it go over, and that it shall be printed, if the Senator desires.

Mr. BORAH. I should like to have it go over and have it printed.

Mr. DILLINGHAM. I have no earthly objection to that.

The PRESIDENT pro tempore. The Senator from Idaho asks that the report be printed?

Mr. BORAH. I do.

The PRESIDENT pro tempore. Without objection, it will be so ordered. (S. Doc. No. 96.)

NATIONAL MONETARY COMMISSION.

Mr. LA FOLLETTE, Mr. NEWLANDS, and others addressed the Chair.

Mr. CUMMINS. I only desire to remind Senators that we have a unanimous consent agreement to vote upon a measure at 1 o'clock and 45 minutes, and when it was made the Senator from Ohio [Mr. BURTON] said that he had not finished the address he was making to the Senate upon the subject. I hope, therefore, that I may be permitted very soon, at least, to call up that bill, so that the Senator from Ohio can proceed and that the Senate may be ready to vote at 1.45 o'clock.

THE COTTON SCHEDULE.

Mr. LA FOLLETTE. I ask unanimous consent to have printed for the use of the Senate a comparison of the rates fixed in the cotton schedule as passed by the House of Representatives and in an amendment which I propose to offer as a substitute to that schedule. (S. Doc. No. 95.)

The PRESIDENT pro tempore. The Senator from Wisconsin asks unanimous consent that the Senate will now order the printing of a document, the nature of which he has stated. Is there objection? The Chair hears none, and without objection the order will be entered.

TARIFF DUTIES ON WOOL.

Mr. PENROSE. Mr President, in reference to the point raised by the Senator from Michigan [Mr. SMITH] as to the procedure adopted by the conferees on the wool bill (H. R. 11019), my attention has been called to the stenographer's notes of the meetings of the conferees, it appearing that a stenographer was present to take down certain matters, and he appears to have taken down considerable of the debate. The last paragraph of the stenographer's notes is as follows:

> By unanimous consent the bill was first to be reported to the House instead of the Senate.

I think that is an important paragraph, if it did occur.

Mr. LA FOLLETTE. I do not recall anything of the sort.

Mr. PENROSE. Here are the notes.

Mr. LODGE. May I ask the Senator from Pennsylvania a question?

Mr. PENROSE. Certainly.

Mr. LODGE. Those notes show that the whole conference agreed to make the report to the House?

Mr. PENROSE. Yes.

Mr. WARREN. Yet the House leader does not so report, nor does he so advise the House in debate, whatever the facts may be, as I read the official record of yesterday.

Mr. LA FOLLETTE. No; and I do not think it was so understood, notwithstanding the notes of the stenographer.

Mr. LODGE. Those are the stenographer's notes.

Mr. LA FOLLETTE. It makes no difference.

Mr. SIMMONS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Pennsylvania yield to the Senator from North Carolina?

Mr. PENROSE. I am through. These are the stenographer's notes, handed to me by the stenographer, and I submit them for the information of the Senate.

Mr. LA FOLLETTE. Mr. President, I want to say in respect to that, if I may be permitted, that I do not think there was any stenographer present during the conference. If there was, I have no knowledge of it.

Mr. PENROSE. I was not present myself, and only know what I am informed by the secretary of the committee. I can investigate the matter more fully.

Mr. SIMMONS. Mr. President, I think there was some informal discussion before the conferees had agreed. I do not know what statements were made at that time, but at the time of the agreement my recollection is that the question as to where the papers were was raised. The House conferees stated that the papers were in the possession of the House, not properly so, but actually so, and my recollection is that the chairman of the House conferees, Mr. UNDERWOOD, stated that he knew no way by which those papers could be returned to the Senate except through the action of the House; and upon that statement I think it was agreed that the House ought to act first on the matter.

That is my recollection of it; but I agree with the Senator from Wisconsin that at that time there was no stenographer present.

NATIONAL MONETARY COMMISSION.

Mr. CUMMINS. I move that the Senate proceed to the consideration of Senate bill 854.

The motion was agreed to, and the Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 854) to require the National Monetary Commission to make final report on or before December 4, 1911, and to repeal sections 17, 18, and 19 of the act entitled "An act to amend the national banking laws," approved May 30, 1908, the repeal to take effect December 5, 1911.

Mr. BURTON. I ask unanimous consent to withdraw the substitute for the bill which I filed on Friday last.

The PRESIDENT pro tempore. The substitute offered by the Senator from Ohio is the pending question. He now asks that, by unanimous consent, it shall be withdrawn. Is there objection? The Chair hears none, and it is so ordered.

Mr. BURTON. I desire to introduce another amendment to the bill in the form of a substitute, and I ask that it be now read.

The PRESIDENT pro tempore. The amendment will be stated.

The SECRETARY. It is proposed to strike out all after the enacting clause and to insert:

That the National Monetary Commission, authorized by sections 17, 18, and 19 of an act entitled "An act to amend the national banking laws," approved May 30, 1908, is hereby directed to make and file a report on or before the 8th day of January, 1912.

SEC. 2. That sections 17, 18, and 19 of an act entitled "An act to amend the national banking laws," approved May 30, 1908, be, and the same are hereby repealed, the provisions of this section to take effect and be in force on and after the 8th day of January, 1912, unless otherwise provided by act of Congress.

SEC. 3. That the first paragraph under the subject "Legislative," on page 28 of an act (Public, No. 327, H. R. 28376, 60th Cong., 2d sess.), entitled "An act making appropriations to supply deficiencies in the appropriations for the fiscal year ending June 30, 1909, and for prior years, and for other purposes," approved March 4, 1909, reading as follows: "That the members of the National Monetary Commission, who were appointed on the 30th day of May, 1908, under the provisions of section 17 of the act entitled 'An act to amend the national banking laws,' approved May 30, 1908, shall continue to constitute the National Monetary Commission until the final report of said commission shall be made to Congress; and said National Monetary Commission are authorized to pay to such of its members as are not at the time in the public service and receiving a salary from the Government, a salary equal to that to which said members would be entitled if they were Members of the Senate or House of Representatives. All acts or parts of acts inconsistent with this provision are hereby repealed," be, and the same is hereby, repealed.

SEC. 4. That no one receiving a salary or emoluments from the Government of the United States in any capacity shall receive any salary or emolument as a member or employee of said commission from the date of the passage of this act.

Mr. BURTON. I can briefly explain the substitute. It contains four sections. The first section directs the National Monetary Commission to file a report on or before January 8, 1912. The second section brings the work of the commission to an end—abolishes it—on the 1st of May, 1912, unless otherwise ordered by Congress. The third section immediately abolishes the salaries which have been paid to members of the commission after the termination of their connection with the respective Houses of Congress. The fourth section prohibits the payment of salaries or compensation to employees now receiving salaries from the Government. I think this statement makes clear what is contained in the proposed substitute, and that I have stated all that is in it.

Mr. NEWLANDS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from Nevada?

Mr. BURTON. I do.

Mr. NEWLANDS. I ask leave to insert in the RECORD certain extracts from previous remarks in the RECORD upon the question of banking reform of the National Monetary Commission bill as explanatory of the amendments proposed by me to the Cummins bill for the early report of the National Monetary Commission and the termination of its service. I make this request for the reason that as by unanimous consent the vote on the Cummins bill is fixed for a quarter to 2, only half an hour distant, and the Senator from Ohio has the floor. There will not be sufficient time for me to present my views on the bill and on my amendment, and these extracts will explain the reasons for my action.

The PRESIDENT pro tempore. In the absence of objection, permission to do so is granted.

The matter referred to is as follows:

[Mar. 11, 1908.]

BANK CAPITAL.

Mr. NEWLANDS. I should like the attention of the Senator from Rhode Island whilst I renew the question which I asked him during the argument of the Senator from Arkansas [Mr. CLARKE], and that is whether, in addition to the requirement which he has already acquiesced in—that the banks should keep in their own vaults either the whole or a very much larger proportion of the reserves now required by law—he would be willing to add the requirement that no bank shall be permitted to loan out its depositors' money in excess of seven times the amount of its capital? The purpose of that would be to secure for the depositors the protection of adequate capital amounting to about 15 per cent of their bank loans.

The Senator from Rhode Island realizes that the depositors' moneys are loaned out, and the loans about equal the deposits, and that the security of the depositors is the reserve required by law and the capital of the banks.

The Senator will also bear in mind that there is no rule imposed by the present banking act regarding the relation of capital either to loans or deposits, and that whilst the average banking capital of the national banks and the average banking capital of the Nation is entirely adequate, being about 30 per cent, I believe, of the deposits, yet as a matter of fact a great many banks, both national and State, are far below that requirement. I will ask the Senator whether he would favor an additional protection to the depositors in that line?

Mr. ALDRICH. Mr. President, the bank system of New York prior to the war, which I imagine perhaps was the best of the American systems, had a limitation of this character. No bank should loan more than two and a half times its capital. As I stated in the remarks which I submitted to the Senate some time ago, 20 years ago, in 1887, the proportion between capital and loans in this country was as 1 to 2.61, being a little in excess of the New York limit. In 1907 the proportion was as 1 to 5.21, showing an increase in proportion to capital of almost double in the last 20 years.

I see no objection to fixing a limit. I think myself that the troubles we have had have grown out of overexpansion of credit. But I never would fix it as high as 1 to 7, because it would be greatly in excess of what is shown to be safe banking by the experience of the world. I do not, perhaps, think it is necessary; certainly not necessary in this bill. As I have already stated on several occasions, this bill does not pretend to be a panacea for all financial ills, and we certainly can not at this time undertake to dispose of them all. I think a limitation of loans in proportion to capital is a wise one, but I certainly would not fix the limit at 1 to 7.

Mr. NEWLANDS. As I understand, then, the Senator would fix it at 1 to 5?

Mr. ALDRICH. I would not say. I would not want to say, offhand, what the proportion should be. I have stated the fact that there has been a growth in this country from 1 to 2.61 to 1 to 5.21—double in 20 years.

Mr. NEWLANDS. The only difference between the Senator and myself is that he would require greater caution in this particular than I suggest. I quite agree with the Senator from Rhode Island that the relation ought to be about 1 to 5. I stated 1 to 7 in order to liberalize the suggestion in order to prevent any possible objection.

Now, let me state to the Senator, as he well knows, there is no requirement in the national banking act that the capital shall bear any fixed relation to the loans, nor is there, I believe, in the State banking acts, and the result is that we have such conditions as these: That the Knickerbocker Trust Co., of New York, with a capital of only $1,000,000, was able to make loans to the amount of $50,000,000. So the proportion of capital to loans was not that of 1 to 5, as the Senator from Rhode Island suggests, but was the relation of 1 to 50.

Now, when that was called to my attention it was accompanied with the suggestion that it was simply a State bank. I then looked to the national banking act to see whether there was any provision there that would prevent such reckless banking, and I found there was none; that while the depositor is partly protected by requiring the bank to keep a certain proportion of the deposits in its vaults in order to respond to checks, there is no provision at all as to the amount of invested capital that shall be maintained as security for those deposits. And it is perfectly possible under the national banking act to-day to have a bank conducting a business of the enormous proportions of the Knickerbocker Trust Co., involving fifty millions of deposits and $50,000,000 of loans, upon a capital of only $1,000,000. Safe banking requires that depositors should have two sources of protection—one the protection of an ample reserve, the other the protection of an ample capital. The least reserve required should be an average of 20 per cent. The least proportion of capital should be 20 per cent also. Then you have safe banking, because the depositors of the bank have not only the security of the loans in which their moneys are invested, but they also have in addition the 20 per cent reserve in cash in the bank and the 20 per cent in capital put in by the stockholders and invested in marketable securities.

The best mode of securing depositors is not by a guaranty fund contributed by the banks or by a guaranty of the Government, but by providing for a sufficient reserve and sufficient capital. If we have in reserve and in capital a security of 40 per cent of the deposits, we will have a safe banking system.

REGULATION OF STATE BANKS.

Now, Mr. President, while I am upon this subject, I wish to add that it is utterly impossible to have a safe banking system in this country as long as we have two systems differing as to the security offered to their depositors. We have in this country two systems, the national banking system and the State bank system, both about equal in capitalization, both about equal in deposits; and yet under State banking laws there are not sufficient requirements as to reserves and there are not sufficient requirements as to capital. So at any time, however you may guard the national banks by proper provisions regarding reserve and capital and their relation to deposits and loans, the entire system may be broken down by inadequate reserves and inadequate capital upon the part of the State banks. We all know that if the State banking system of the country is involved in difficulty it involves the national banking system also, and that you can not possibly inaugurate a system that will successfully work in preventing panics if it is confined to one kind of banks alone.

If that be so, it seems to me that the very next reform which should suggest itself to the Senator from Rhode Island is the reform of securing under the State banking system sufficient reserves and sufficient capital such as we aim to require under the national banking system. That can be done in one of two ways, by persuasion or by compulsion, the latter being based on the power given to Congress to regulate commerce between the States, for all State banks are engaged in interstate exchange, which is one of the forms of interstate commerce. The Senator from Rhode Island asked me the other day while I was addressing myself to this question whether a check sent by a man in one State to a man in another State constituted interstate commerce. I was then endeavoring to put an hour's speech through a half-hour nozzle, as I had to take the train, and I declined to enter into that

question. But I find that the Wall Street Journal has answered it for me, and I will ask the Secretary to read this excerpt from the Wall Street Journal.

Mr. NELSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Minnesota?

Mr. NEWLANDS. Certainly.

Mr. NELSON. I wish to call the Senator's attention to the fact that authority from that source is not of much value here in the Senate.

Mr. NEWLANDS. However, it may be persuasive with the Senator from Rhode Island.

Mr. FLINT. I suggest to the Senator from Minnesota that it might have great weight on the other side of the Chamber.

Mr. NEWLANDS. I ask the Secretary to read.

The VICE PRESIDENT. Without objection, the Secretary will read as requested.

The Secretary read as follows:

"REVIEW AND OUTLOOK—WHAT IS INTERSTATE COMMERCE?

"In the Senate, on Tuesday, Senator Aldrich asked the following question of Senator NEWLANDS:

"'In case a business house in New York sends a check to a firm in Connecticut, does that constitute interstate commerce?'

"Senator NEWLANDS did not answer the question.

"Innocent and simple as it appears, it is, in fact, a very big question, and it strikes at the very vitals of the whole problem of Federal regulation.

"The answer to Senator Aldrich's question from the point of view of the Wall Street Journal would have to be 'Yes.' The sending of a check from one State to another involves the transfer of a valuable thing from one State to another. It is interstate commerce. Whether we like it or not, the development of business in the United States is revolutionizing all of our conceptions and changing most of our points of view. Commerce is no longer an affair of a township or a city or of a State. The economic unit has become a continent. The mailing of a letter, the sending of a telegram, and the holding of a telephone conversation between New York and Chicago, and almost all of the operations of business have become interstate in character."

Mr. NEWLANDS. Mr. President, whilst the reliability of this authority seems to be questioned, the logic of its statement can not be. Is there a Senator on this floor who will rise and say that the transaction by which goods are transported from the State of California to the State of New York is not interstate commerce? If that be true, is it not also true that the transaction by which the payment of those goods in money is transported from New York to California is interstate commerce? Is there a Senator on this floor who will rise and insist that a telegraphic message sent from one State to another is not interstate commerce?

Mr. BEVERIDGE. That question has been specifically decided by the Supreme Court. Of course it is interstate commerce, and was so decided several times since the Pensacola case.

Mr. NEWLANDS. Of course, it is incontestable. Is there a Senator on this floor who will rise and say that a whisper through a telephone from New York to Chicago is not interstate commerce? If that be true, how can you deny that the transactions of commerce conducted through banks, the great agencies and instrumentalities of commerce, and involving interstate and foreign exchange, do not come within the supervision and the control of the National Government?

I am aware that whenever a suggestion is made of the application of the interstate-commerce power of the Constitution to an existing condition the cry of centralization is raised. If it involves control, if it involves restriction, if it involves requirements, Senators on that side of the House accustomed to invoke the power regarding interstate and foreign commerce in the subsidizing of railroads, in the subsidizing of ships, in every form of grant or privilege or subsidy, will oppose it because it involves restriction, while on this side of the House Senators have been so accustomed to stand on guard against usurpation of State rights and powers by the National Government that, although they wish to institute reforms, they question the national right and our power.

There can be no question about our power. We have exercised it again and again. We take hold of a State railroad engaged in interstate commerce with not a mile of its line in any State except the State in which it is incorporated, and yet receiving goods for shipment to other States, and what do we do with that railroad, by the vote of both sides of the Senate, by a recent vote in which there was but one dissenting voice? We take hold of that railroad and we compel it to present to the Interstate Commerce Commission of the Nation reports of all its transactions, State as well as interstate. We not only regulate its rates, so far as interstate commerce is concerned, but we regulate its conduct of business. We compel it to apply safety appliances to its trains and everywhere we exercise supervision and regulation, not exclusive supervision and regulation and supervision and regulation in the interest of interstate commerce.

Mr. ALDRICH. Mr. President——

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Rhode Island?

Mr. NEWLANDS. Certainly.

Mr. ALDRICH. Does the Senator think that the Congress of the United States can fix a rate of interest to be paid by loans in State banks?

Mr. NEWLANDS. Well, Mr. President, that is a question that I would not like to answer in a moment. It certainly would have no power to fix the rate of interest as to a purely State transaction. I will admit that. But I am not prepared to answer the question as to whether it would have the power to regulate the rate of interest, so far as interstate transactions are concerned. When I contend for this power of the National Government I do not contend that it is exclusive power. The National Government has the same power in its jurisdiction over interstate commerce that the State has over State commerce, and where the corporation is engaged in both State and interstate commerce it is subject to the supervision and control of the State, so far as State commerce is concerned, and to the control and supervision of the Nation, so far as interstate commerce is concerned. The jurisdictions do not conflict, and each sovereign is supreme within the limits of its jurisdiction.

Now, what is this whole system of exchange? It is simply a system of transportation, a transportation of values. The railroads transport the goods; the banks transport the values. Both are absolutely essential to commerce; both are absolutely essential to interstate commerce. It is important to interstate commerce that we should have the safe conduct of passengers on the railroads, and therefore safety appliances are required of State railroads by national law. It is important to interstate commerce that State banks engaged in interstate transactions should have the safety appliances of a sufficient reserve and an ample capital, and it is the duty of the Nation to see that these safety appliances are required.

So far as interstate commerce is concerned, the Nation has all the power that the State has in State commerce.

Now, Mr. President, why should we stick in the bark when we are considering this question of the banks and of currency, this important system of transporting values, this system upon which all values in the country are dependent, the breaking down of which may at any time prostrate the industries of the country? Why should we not, when revising our system of banking, require in the interest of interstate commerce that the State banks engaged in interstate commerce should maintain as a condition of the exercise of that privilege the same reserves and the same capital as are required under similar circumstances of national banks?

PERSUASION.

But if the Senator from Rhode Island is not prepared to admit this proposition, if he insists that it is not within the power of the National Government, if he insists that it is a matter absolutely within the jurisdiction of States so far as State corporations are concerned, and that the Nation's action must be confined to the corporations of its own creation, then I ask him why he should not apply all the powers of persuasion to the State banks that can be applied?

The Senator is now proposing a measure that is intended to meet the emergency requirements of the country; that is intended to prevent these extraordinary bank panics created by the timidity of depositors. The depositors of State banks can be as timid as the depositors in national banks, and they are as timid. If we are to provide an emergency measure that is to tide over a panic, there is every reason why we should give the State banks the benefit of the emergency provision. The very purpose that we have in view is the security of the country, the security of our entire banking system, national and State, and we must know that if the State banks of the country, which aggregate about one-half of the bank capital and more than one-half of the deposits of the country, are prostrated, our national banks will be prostrated with them.

If, then, we are providing for an emergency currency the State banks should have the benefit of it upon depositing the security required by law. And we can accompany the privilege with the condition that the State banks desiring its benefit shall receive it upon the condition that they will comply with the requirements of the national banking act so far as reserves and capital are concerned.

So the Nation would have a persuasive influence upon the banks of the States in gradually making them conform to national requirements in the interest and for the security of the depositors, and all doing business with it in State or interstate transactions. There is not a State bank that would not realize that at some time it would be compelled to resort to the Nation for the funds with which to meet an emergency of this kind, and it would be eager to put itself on the list of those who could lawfully apply. So these State banks would gradually accommodate their reserves and their capital to the requirements of the national law.

More than that, our action would be persuasive upon the legislatures of the States themselves. They would probably pass similar laws. Thus the educational process would be set at work, and in the end we would have uniformity throughout the country in all the banks of the country, both as to the reserves and the capital required.

Mr. President, I realize that all this can not be done in a day. We can enact in a day the law by which it is to be accomplished, but the process provided by the law must be a gradual one. What is that process to be? It would not do to provide that these reserves should be required to-morrow or that this capital should be increased to-morrow. Time must be given. The State banks during the past year have had an average reserve of less than 8 per cent. In many of the State banks the reserve is far above that average, and in many of them far below.

What would you think of a national-bank system if you realized, upon looking at the reports of the Comptroller of the Currency, that all the national banks of the country had an average of only 8 per cent?

To-day the national banks have an average reserve of 18 per cent, though it is unequally distributed, and the State banks have an average of less than 8 per cent. Yet if you should attempt to compel the State banks to come up immediately to the requirements of the national banks it would mean upon their part an immediate contraction of their loans, which would result in liquidation and universal distress.

The thing that we must do is to provide a gradual process for increasing the reserves of the State banks, lasting over a period of 5 or 10 years, at the rate of a certain percentage annually, the increase to be accomplished under the direction of the Comptroller of the Currency. In that way they can gradually draw into their vaults the lawful money required for the reserves established by the national law, and thus they will be able to sustain their existing volume of bank loans and bank credits.

In this manner the business of the country will not be disturbed in the slightest degree. So far as bank capital is concerned, that can be increased in the same gradual manner, and within a period of 5 or 10 years we will have all the banks of the country, State and national, under laws providing adequate protection to depositors, both in reserves and capital. I trust that the Finance Committee will seriously consider this suggestion, and that now, whilst the subject is fresh in our minds, reforms in our banking system, admittedly necessary, will be added to this emergency provision recommended by the committee.

[May 15, 1908.]

AMENDMENT OF NATIONAL BANKING LAWS—REGULATION OF STATE BANKS.

Mr. NEWLANDS. Mr. President, I regard the question of the relation of reserves to deposits and of capital and surplus to loans as of very much more importance than the creation of an emergency currency, and I trust that the committee of conference will take up these two questions fully and exhaustively. The great difficulty with the banking situation of three or four months ago was that the banks did not have on hand a sufficient amount of cash reserves to meet the checks of their depositors. The difficulty was with the State banks, rather than with the national banks. The statistics show that, on the average, the national banks had a cash reserve of about 18 per cent, whilst the State banks of the country had on hand a cash reserve not exceeding 5 per cent. It is utter folly, Mr. President, in my judgment, to attempt to inaugurate a safe system of banking unless we bring the State banking system into harmony with the national banking system so far as the requirements regarding reserves and capital are concerned. I have contended throughout that it was the duty of

Congress not only to see to it that the national banks kept within their vaults an adequate proportion of the cash reserves required by law, but that, in the interest of interstate and foreign commerce, clearly within the regulation and control of the Nation, we should so legislate as to prevent State banks engaged in interstate and foreign commerce from maintaining a system which not only imperiled the safety of their banks as financial institutions, but imperiled the safety of the entire national banking system of the country, for we may perfect our national banking system to the highest degree, yet if the State banking system be insufficient in the security offered to depositors, the danger of the State banks will affect the national banks, for depositors do not discriminate as between them—a panic is never logical—and when depositors in State banks become alarmed the depositors in national banks, however secure they may be, also become alarmed.

The difficulty with the measure thus far considered by the Senate has been that it simply provides an emergency currency to meet the contingency of a panic when the panic is on and public apprehension is aroused. Our attention ought to be directed to so securing depositors in the matter of the capital of the banks and in the matter of reserves as against their deposits as to make a panic absolutely impossible.

NATIONAL CLEARING-HOUSE ASSOCIATION.

Mr. President, the bill coming from the other House adopts one wise provision, which has been the evolution of experience, and that is the legalization of clearing-house associations as a part of the national-bank system. These clearing-house associations have thus far been voluntary associations created by the banks themselves, partly national and partly State. They have been organized for mutual convenience and for mutual protection. We have found that it is absolutely necessary for these banks to get together in times of panic through their clearing-house associations, and thus restore public confidence by giving aid to individual banks whose financial safety was imperiled. The House bill very wisely, it seems to me, creates these associations, legalizes them, and makes them the instrumentalities through which the emergency circulation is distributed. That provision is the result of an experience of years, and it has been demonstrated that it is a wise method of meeting these great emergencies.

The Senate Committee on Finance have an opportunity to approve of this provision legalizing the national-bank clearing-house associations, and they can make such associations the agency for securing safety in the State banks as well as in the national banks.

There is not a State bank in the country that will not want to become a member of a national clearing-house association if that association has the power of issuing emergency money. If it applies for admission, the Nation, the creator of these clearing-house associations, can attach conditions to the admission, and those conditions should be that the State banks should keep the same reserves in their vaults that are required of the national banks and that their capital should have the same relation to their loans as is required or should be required under proper law—and I hope the Finance Committee will cover that—as is required or should be required of the national banks.

Such measure is simply persuasive; it is not coercive of the State; though, believing as I do, in the full power of the Nation over interstate and foreign commerce, I would not hesitate to support a bill that would compel State banks, in the interest of interstate and foreign commerce, to provide such safety appliances for finance as the Nation applies to State roads regarding interstate transportation. But here we have an opportunity by simple persuasion to induce State banks to comply with the national-bank requirements as to reserves and as to capital.

But it may be said that it will not do to make this change suddenly, because the national banks will then be compelled either to largely increase their reserves of gold and of lawful money, or they will be compelled to diminish their loans in order to bring their loans within the legal requirements of the provisions regarding their relation to reserves. It would, of course, be impossible in a day or in a week or in a month or in a year to secure to all the banks of the country an actual reserve, an average of even 20 per cent, for, in order to sustain the volume of bank loans which prevailed at the time of the panic, it would be necessary to have a cash reserve of at least $2,000,000,000 in all of our banks, national and State, whereas, as a matter of fact, we had only $1,000,000,000.

But this change can be brought about gradually, and it can be brought about by providing in this law that the banks shall be compelled to keep a certain proportion of their cash reserves in their own vaults—an increased amount—and that the State banks that become members of these associations shall similarly comply with that provision; and we should provide that it shall be gradually brought about, within a period of five years, under the direction of the Comptroller of the Currency, so that the banks will have ample time largely to increase their reserves in order to sustain the existing volume of bank loans and to meet the requirements of the future with reference to increased bank loans.

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THOROUGHGOING LEGISLATION NEEDS.

Mr. President, the treatment of this question by the Finance Committee has been simply skin-deep. They have never reached the real question. It is palliative treatment. It is not a radical cure. There is but one way of making these banks safe, and that is to provide for an average reserve of all the banks, national and State, of at least 20 per cent, but providing for it gradually and without wrenching too seriously existing conditions of finance.

The banking system can never be safe until by law the relation of capital and loans is established so that there can not exist such a condition of things that a bank with $1,000,000 of capital can accept $50,000,000 of deposits and loan the $50,000,000—almost the entire money—to customers, the security in capital thus being only 2 per cent.

The Senator from Rhode Island, in answer to an interrogatory that I put to him when the question was last before the Senate, said that the old State banks regarded the safe relation of capital to loans as one to two and a half. There should be a provision of law that no bank should be permitted to loan its depositors' money to an amount more than five times exceeding its capital and surplus. Whenever it reaches that point it should cease loaning, and it must keep its depositors' money in its vaults, where it will be responsive to their demands. If you provide that the banks shall have an average reserve of 20 per cent in lawful money and a capital of at least 20 per cent of their permitted loans, then you have, in addition to the securities in which the depositors' money is invested, the actual cash reserve on hand subject to their check, and you have an additional security of 20 per cent in the shape of bank capital and surplus. Thus the depositor has a security of 40 per cent in addition to the security in which his money is invested. Whenever you organize a banking system of this kind it will simply follow the rules of safe financing and safe banking throughout the world, rules which until recent years prevailed in this country and in the safest States in the Union, and notably in New York State. Until you do that you will never have a safe system of banking, however you may increase this panic money, this emergency money, that is intended simply to relieve, after an unnecessary panic has been created, the apprehension of depositors as to their security. Such apprehension should be guarded against not by Government guaranty of deposits, but by compelling the banks to have sufficient capital and sufficient reserves to give the depositors absolute security, so that their apprehensions and fears will not be aroused.

I hope the Finance Committee will take under consideration, when this matter goes into conference, certain resolutions which I have presented to-day and which I intended to present as instructions to the Finance Committee in reporting this bill to the Senate. It was my purpose to cover these questions and to have a vote of the Senate, if possible, instructing the Finance Committee to shape these amendments which I have suggested and to present them to the Senate for its action upon the House bill. So far as I am concerned, I would rather build up on the House bill, with its clearing-house provisions, than I would on the Senate bill.

[May 28, 1908.]

A BILL FOR INFLATION.

Mr. NEWLANDS. Mr. President, I wish to say a few words regarding this conference report. I shall vote against the adoption of the report, and I shall vote against it because the tendencies of the bill reported, if it is enacted into law, will be to increase, instead of curing and doing away with existing abnormalities. The abnormality under which we have been suffering is an inflation of bank loans, made by our national and State banks from the moneys of their deposits without maintaining sufficient cash reserves to meet their depositors' checks.

Another unhealthy condition is that there is in the country no proper security in the way of bank capital to the depositors in banks.

The relation of bank loans to bank capital is left entirely, or almost entirely, to the judgment of the banks themselves; and, as a result, we have this condition: Certain banks, with larger bank capital than is necessary, when you take in view the amount of their deposits, and others where the amount of the bank capital is less than should be required; and we all know that the real security which the depositors have, in addition to the securities and negotiable paper in which their deposits are invested by the banks, is the bank capital and surplus and the bank reserves.

As an evidence of this unhealthy condition I have only to state that when the panic came on the aggregate deposits in all the banks of the country—national banks, State commercial banks, State savings banks, and trust companies—was about $13,000,000,000; and against that extraordinary amount of deposits there was a reserve in the banks of only $1,000,000,000, or 8 per cent; and that if you exclude the savings banks as not requiring any considerable amount of reserves and estimate, as is the fact, that the deposits in all the commercial banks, State and national, amounted to $10,000,000,000, the reserves equaled only 10 per cent. But even if there had been an average reserve of 10 per cent in all the commercial banks of the country, national and State, the unhealthiness of the condition would not have been so apparent.

But we find the greatest disproportion between the reserves existing in State banks and the reserves existing in the national banks. The average reserve of the national banks at that time was 18 per cent; the average reserve in the State banks, the commercial banks, was less than 6 per cent, and yet, as the Senator from Oklahoma [Mr. OWEN] so well observed, the State banks outnumber the national banks and have two-thirds of the bank capital of the country and nearly two-thirds of the deposits of the country. The danger point, then, in our whole system of reserves is in the State banks, which outnumber the national banks and outclass them in both capital and deposits.

So also as to national banks. Whilst the average reserve was 18 per cent, yet the manner in which that reserve was distributed amongst the various banks indicated a most unhealthy condition. Of the total reserves in all the banks, national and State, amounting to $1,000,000,000, the national banks, though inferior in number and inferior in capital and deposits, had $700,000,000 of reserves, and of that $700,000,000 of reserves over $300,000,000 was in the central reserve city banks in New York, Chicago, and St. Louis, and nearly $200,000,000 was in reserve city banks, about 300 in number, and only about $200,000,000 was in the country banks, over 6,000 in number, so that over one-half of the reserves of the country were in banks averaging less than 400 in number, in the central reserve and reserve city banks, and less than half of them were in 6,000 national banks, constituting the country banks of the United States, and whose obligations to individual depositors far exceeded in amount the similar obligations of the reserve city and reserve banks.

Now, how was that? Simply under the existing law which permits these country banks to deposit three-fifths of the reserve required by law in reserve cities and central reserve cities. The result was that over one-half of the legal reserves of over 6,000 national banks of the country was accumulated in less than 400 banks in our great cities, mainly New York, and used there for promotion and speculation. We all know the methods employed during certain seasons. The New York banks offer tempting rates of interest to the country banks for their reserve money, which they are forbidden to use locally, draw in the money, and then lend it to those who are interested in promotion and stock speculation. The spring and summer months is the time chosen for the promotion of the great industrial corporations of the country, for the promotion of great trusts, and for the increased issue of railroad stocks and bonds.

The prices go up in the market; and the faster the prices go up the greater is the demand upon the New York banks for money for speculative purposes, for it is a peculiar condition of the stock market that as the market is rising the demand for speculation increases; and that when it is going down and more favorable opportunities are presented for getting stocks at their real values, the demand for them diminishes. So it is that after the summer season is over, when the country banks require the moneys which they have deposited in the reserve cities at interest for the purpose of moving the crops of the country, when they require the small sums of $200,000,000 or $300,000,000 for that purpose, the money is not forthcoming; the banks in the reserve cities and in the central-reserve cities can not pay it to the country banks without calling in their loans; and that means a contraction of values, a slump in the market, a local panic, and possibly a panic extending over the entire country.

We have had numerous evidences of such panics within the past 10 years. A panic of that kind is almost a yearly occurrence. Sometimes it is only local in its consequences; but if those consequences are sufficiently severe and involve enough mercantile houses or brokerage houses

or banks, then we find the country alarmed, and there is a general demand for money on deposit. So that whilst the average of reserves in the national banks of 18 per cent is perhaps sufficient, it is so distributed as not to make it an element of safety in any banking situation.

INADEQUACY OF BANK RESERVES ADMITTED.

Now, Mr. President, this evil is very evident. The Senator from Rhode Island [Mr. Aldrich] admits it. In a speech which he delivered when he first reported his bill in this body he used the following words:

"I have already alluded to the inadequacy of bank reserves. When we compare the reserves of our banks with the reserves of similar European institutions this inadequacy becomes painfully apparent."

"This inadequacy becomes painfully apparent," and yet the Senator from Rhode Island has nowhere addressed himself to this important question, but has only addressed himself to the question of further inflating the loans of the country and aggravating and exaggerating the condition of inflation that now exists. The Senator will doubtless reply that there was no time for this; that all we could do was to address ourselves to the question of emergency. That may have been true when the Senator first presented his bill; an emergency was then on, but that emergency has passed, and the financial conditions of the country are now on the road to recovery; yet since the Senator presented his bill over four months have elapsed, and I will venture to say that he has not once called together his committee during that entire period for the consideration of this important question.

The Senator says that he has alluded to the inadequacy of bank reserves, that "this inadequacy becomes painfully apparent," and yet, with this condition of things, when this inadequacy is "painfully apparent," and when he and his committee have had four months to consider this question, he brings into this body, upon a day's notice, a new measure in which no allusion is made to this unhealthy and abnormal condition, and no remedy presented.

This is of a piece, Mr. President, with the administration of the Finance Committee under the Senator from Rhode Island during his entire administration of 12 years. During that time how many efforts has the Senator made to reform the bank act? Did he not know 12 years ago, as well as to-day, that this system of piling up the bank reserves of the country in a few cities, to be used there for promotion and speculation, was prejudicial to the safety of the country? Year before last we had a warning upon this subject, if prior to that time we had lacked information upon it.

I remember in the debate in the early part of 1907, long before the recent panic, when the Senator then, as now, was bent upon inflating the currency instead of securing upon a safe foundation the banking system of the country, that I then presented an amendment. A measure was pending in this body providing, I believe, for greater issues of currency, a larger proportion of currency upon national bonds, increasing the proportion from 90 per cent to 100 per cent—resulting, I believe, in an issue of $400,000,000 more of bank notes—and also doing away with that provision of the banking act which prevented bank notes from being retired at a rate of more than $3,000,000 a month. When this measure was pending I then presented to the Senate an amendment intended to remedy this condition regarding the reserves. In my remarks upon that occasion I said:

"Now, Mr. President, I wish to say one word regarding the reserves of these banks. We have a system which crowds all the reserves of the national banks of the country in New York City. That seems to me to be a vicious system, because it collects from every part of the country money to be used simply in speculation."

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Mr. President, I should like the attention of the Senator from Rhode Island for a moment. I call his attention to a few sentences in his speech of February 10, 1908, in which he said:

"I have already alluded to the inadequacy of bank reserves. When we compare the reserves of our banks with the reserves of similar European institutions, this inadequacy becomes painfully apparent."

Now, I wish to ask the Senator whether there is any provision in this bill regarding bank reserves?

Mr. ALDRICH. There is no provision in the bill regarding bank reserves, but there is a provision for the appointment of a commission to consider what changes shall be made in our banking laws, and I have no doubt that the subject of reserves will be one of the first questions taken up by that commission.

Mr. NEWLANDS. Mr. President, I should like to ask the Senator from Rhode Island another question, and that is whether there is any provision in this bill upon which an instruction can be based to the conferees to provide that the country banks shall keep a larger percentage of their reserves within their own vaults? Would it, in the present status of the conference, assuming that this report is rejected, be within the power of that conference committee to take up the question of the reserves and report upon it?

Mr. ALDRICH. There is no question of reserves in difference between the two Houses, and the conference committee has no authority to take up questions that are not involved in differences of opinion between the two Houses.

Mr. NEWLANDS. The bill as originally passed, the so-called Aldrich bill, had a provision regarding the reserves. I should like to ask the Senator from Rhode Island how it is that this bill includes no provision in regard to reserves?

Mr. ALDRICH. The bill which went to the House from the Senate, upon which the conference committee has acted, contained no provision in regard to reserves.

Mr. NEWLANDS. But the former bill, known as the Aldrich bill, did, as I understand it.

Mr. ALDRICH. The conference committee had no authority to take into consideration a bill which passed Congress, or either House, at a period prior to the passage of this bill.

Mr. NEWLANDS. Mr. President, I should like to ask the Senator from Rhode Island, who has been chairman of the Finance Committee, I believe, for the last 12 years at least, whether during that time he has always been of the impression that the bank reserves of our national-bank system were painfully inadequate, and whether or not he has ever presented to that committee any measure looking either to an increase of the reserves or to a proper distribution of them?

Mr. ALDRICH. Mr. President, the Committee on Finance try to take up and consider carefully all the measures presented to them. If the Senator from Nevada, with his wide experience and great knowledge upon this subject, had presented a bill in regard to the subject, I am sure the committee would have given it careful consideration, but I have no recollection of any such bill having been presented.

Mr. NEWLANDS. Mr. President, we have here an evidence of the maladministration of the Republican Party; of its utter failure to appreciate the gravity of the situation regarding national banks. We have here the admission of the chairman of that committee, who has been in charge of the Finance Committee of the Senate for the past 12 years, that the reserves are painfully inadequate, and yet during that time no effort has been made to correct this evil.

The Senator has not lacked warning regarding it. A year ago last February, long before the recent panic, when the Senator had a bill up providing, as his bills generally do, for the inflation of the currency of the country, and not for the proper regulation of banking, I offered to that bill an amendment absolutely germane, providing that country banks should be compelled to keep at least—I believe that was the form of the amendment—three-fifths of their reserves within their vaults; but this change was to be gradually brought about within a period of 10 years, so as to cause no immediate wrenching of our financial system.

That amendment was opposed by the Senator from Rhode Island, and defeated; and yet within a year a new light has fallen upon the Senator from Rhode Island, and he now sees that our reserves are "painfully inadequate"; he now sees that the distribution of these reserves is prejudicial to the banking interests of the country, and that the concentration of these reserves in a few great cities, in less than 400 banks out of nearly 6,000 banks, tends to the promotion of speculation and to the derangement of the business of the country. And yet, though the Senator was warned of it two years ago and found his realization of the warning in the panic of last fall, he presents to this body, when the emergency is over and the time for rational legislation has come, a measure simply to inflate the currency, to exaggerate still further the bank loans of the country, and he does it whilst in the very speech in which he presents the necessity of legislation he admits that this condition is painfully apparent.

NO EMERGENCY JUSTIFYING THE MEASURE.

At the time he presented the bill he urged the condition of emergency. He said that there was a panic upon us—for the panic at that time was not spent—and he urged his bill then as a measure of immediate relief. The force of the panic has been spent, the business conditions of the country are reviving, and we are now marching on to better conditions of business and of commerce. The Senator has had three months in which he could call together the experts of the country, the bankers of the country, and the commercial men of the country—the economists of the country—and obtain their judgment upon this subject; but to-day, instead of presenting us an adequate measure of relief intended to cure existing abnormalities, which the Senator himself admits, he presents this measure, which is intended simply to increase in the future the inflation of bank loans, adding over $500,000,000 to the vast superstructure of credit now built up upon the narrow and tottering basis which has existed for so long a time.

Mr. President, the Senator says that the proposed commission will be charged with the duty of framing a bill; and yet I observe that the commission is to be composed, so far as the Senate is concerned, of members of the Finance Committee, the very committee which has been so derelict in duty under the leadership of the Senator from Rhode Island. I think the country will have small confidence in the results of the work of a commission so organized, when we have had absolute nonaction, apathy, and inertia in this committee under the leadership of the Senator from Rhode Island for the past 12 years.

Now, what is the condition of the exaggerated bank loans? The Senator in his speech presented it most powerfully. Since 1900, in a period of eight years, according to his statement, the bank loans have increased from $5,000,000,000, if I recollect his statement aright, to $10,000,000,000; and I refer only to the bank loans of commercial banks. From $5,000,000,000 to $10,000,000,000 in eight years. How has that been accomplished? By inadequacy of reserves in the State banks and by an improper distribution of the reserves of the national banks.

The Senator believes in the powers of the Nation. He believes in the great interstate-commerce power of the Constitution when applied to grants.

The Senator and his party have never failed to exercise that power when a subsidy has been asked for. They never fail to exercise that power when a great and powerful corporation wanted anything from the Government. We have made land grants; we have made subsidies; we have guaranteed railroad bonds under that power, but when it comes to the question of restricting these great corporations to whom the Senator and his party would be so liberal, then he doubts our power under the interstate-commerce clause.

The Senator and his party then take themselves to that "twilight zone" to which Mr. Bryan so aptly alluded—the zone of twilight between the national powers and the State powers in which these great corporations avoid the exercise of both national and State sovereignty.

So when I suggest in this body, belonging as I do to the Democratic Party, a party that believes simply in the constitution of delegated powers and the powers implied in the delegated powers, that banking is a matter of interstate commerce just as much as is railroading, that the transaction by which goods are transported from a point in one State to a point in another State does not vary at all from the reciprocal transaction by which money is transferred from the consignee to the consignor through the banks, and that State banks, as well as State railroads, under the interstate-commerce power are subject to the regulation of the entire Union of States, he doubts the power.

I could well understand how such an objection might come from this side of the House, with its views regarding the strict construction of the Constitution, but I can not understand how the objection can come from the other side of the House. It has never failed to exert these powers to the largest degree when subsidy or grant were concerned. Why should it hesitate to exercise them when restriction and regulation of these gigantic State corporations engaged in interstate commerce are involved?

Now, a few words only would bring the reserves of the State banks under the same control as the reserves of the national banks and require the holding of the proper proportion of those reserves within the bank vaults. The Nation has the same power to apply safety appliances to State banks engaged in interstate commerce as to a State railroad engaged in interstate commerce. And we all know that the business of the banks of the country may be prostrated at any time if the safety appliance of a proper reserve of cash to meet obligations to depositors is not maintained.

In a few words we could provide that all banks engaged in interstate commerce should keep the same percentage of reserves within their vaults as is required of national banks. It is true you would have to make the change gradually, running over a period of years, for it would be, of course, an unwise thing to bring all the banks up with a sudden jerk to the requirements of a rational law upon this subject. It might result in the sudden contraction of bank loans, which would in-

volve liquidation. But certainly a gradual reform, running over a period of 10 years, would accomplish a beneficial change. We would then have a rational system of banking in this country, both national and State banks maintaining the same reserves and the same security to their depositors, whereas under the system proposed by the Senator from Rhode Island, or, rather—for no system is proposed by him—under a national system, however perfected it may be, the only thing we accomplish is the perfection of the administration of the national banks of the country that have only 40 per cent of the deposits of the country and less than this proportion of the banking capital of the country.

It lies in the power of the State banks, if they are permitted to go on and conduct business in this irrational way, without proper reserves, to paralyze the national banking system itself, for if their system is *not protected, if they* do not keep the proper amount of cash on hand to meet the ordinary demands of their depositors, a panic is sure to come, and the panic will involve national banks as well, for panics are always unreasoning, and, of course, if the depositors all call upon the banks for their money at one time, liquidation and bankruptcy will ensue.

PARTIAL LEGISLATION OPPOSED.

I protest against this system of legislating for only one-third of the banking system of the country. I protest against this system which perfects only the national banks of the country and absolutely ignores the great power of the union of the States to require security and safety from the State banks themselves in the interest of the general business of the country and of commerce, interstate and foreign.

We can not allow two-thirds of the banking machinery of this country to break down. We can not confine our efforts simply to perfecting the national-bank system, when it involves only one-third of the banks, about one-third of the capital, and about 40 per cent of the deposits of the country.

To what extremes has loose legislation in the various States gone upon this banking question! We all know that in the State of New York the trust company has become an institution of great importance during modern times. The name is a seductive one. It invites confidence, and yet a great number of these trust companies really conduct a confidence game instead of administering their affairs in the interest of their stockholders and their depositors; and State legislation has been loose regarding them.

I read the other day the communication of the president of a trust company in New York to the legislature of that State, which at that time was seeking simply to compel them to keep a reserve of 10 per cent on hand, any part of which could be in national-bank notes, a thing unknown to our system, for national-bank notes are not legal-tender money. They constitute no proper portion of a bank reserve. He protested against the requirement of a reserve. He said that statistics showed that the trust companies were as safe and successful as the national banks themselves, and alluded to the great business they had done, and that thus far none of them, he believed, had failed. And yet his very statement showed that the trust companies to which he referred had in actual legal-tender money an insignificant reserve, not exceeding, if my recollection is right, 2 or 3 per cent.

The banking business of the national banks became so endangered by this system of loose State banking, permitting banks upon inadequate capital and reserves to make enormous profits, that we found a disposition on the part of the managers to go out of the national bank corporation and into the State organizations, and the only thing that prevented many of them from going out was the legislation presented by the Senator from Rhode Island, which increased the amount of bank currency that they could issue upon national bonds from 90 to 100 per cent, and which released them from other restrictions that previously existed. Even then we find that many of these national banks, in order to make money, were obliged to couple themselves with trust companies.

It is a familiar thing for a national bank in any one of the great cities to have a trust company at its back door, with the stock held by the national bank or its stockholders, and the loose banking with large profits is done through the trust company.

There is no provision regarding the relation of capital to loans. There are no adequate provisions regarding the relation of reserves to deposits.

So we find in New York one trust company, the Knickerbocker Trust Co., with a capital of only $1,000,000, having $50,000,000 of deposits and a reserve which I can not state with accuracy, but which was ridiculously small. Thing of permitting a bank with a capital of only $1,000,000 to accept deposits to the extent of $50,000,000 and then loan out every dollar of those deposits.

Safe banking, according to the admission of the Senator from Rhode Island, requires that there should be a fixed relation between the capital of the bank and the loans made by the bank, and that no bank should be permitted to loan more than five times its own capital out of its depositors' money, but should keep the rest of the depositors' money within its own vaults responsive to their demands. I ask the Senator from Oklahoma [Mr. OWEN] whether that is not regarded as a safe rule in banking, the Senator himself being a banker? And yet we have in the Knickerbocker Trust Co. a relation of capital to bank loans not of 1 to 5, but of 1 to 50.

NATIONAL POWER OVER INTERSTATE COMMERCE.

We are told that the entire commerce of the country, interstate and foreign, can be absolutely prostrated because the Union lacks the power to regulate the corporations created by an individual State. I deny it. This Union was formed for some purpose. It is our Union. It is a Union of the States. It is not a centralized government far off from us. It is a Government of which we are a part, and one of the things for which the Union was organized was the promotion and regulation of interstate and foreign commerce—full regulation of it—and the power of the Union of States is as complete over interstate commerce as is the power of the individual State over the commerce within its boundaries.

These banks all engage in interstate commerce. The bulk of their transactions are interstate. Banking knows no State lines. The banking center of one State may be in another State. The Federal power, as the Senator from Oklahoma suggests, did tax the circulation of the State banks. That was an exhibition of great power, and yet men hesitate now in the exercise of this great power over interstate commerce to take hold of the banking system of the country under a full and comprehensive plan and so shape it, not radically, not by violently wrenching it, but by a gradual course of reform under the direction of the Comptroller of the Currency, extending over a period of 10 years or more, the progress being so made year by year as to make our entire banking system, national and State, secure, in the interest of both interstate and of State commerce.

But if anyone has any doubt about the power of the Nation to act in this matter, we can surely act in a persuasive manner. We are organizing under this bill clearing-house associations for the purpose of aggregating the national banks together, upon the theory that in union there is strength, so that the association, the central body, can have the combined strength of all those who constitute its membership and can in time of need help any weak or discipline any recalcitrant member. Now, why should we not give the State banks the opportunity of entering these clearing-house associations? They are members of clearing-house associations now, either voluntary associations or associations organized under State law. Why should we not permit them through these clearing-house associations to receive their proportion of the emergency money based upon securities just as good as those of the national banks?

Why should we not, under regulations imposed by the Secretary of the Treasury and the Comptroller of the Currency and with proper guards, admit them to membership in these clearing-house associations? And if we do it, can we not make it upon conditions? An dwhat should the conditions be? The conditions should be that they maintain the same reserve and that they maintain the same proportion of capital to loans as is required of the national banks, and so by this persuasive method—for thousands of banks would come into these clearing-house associations in order to avail themselves of the benefit of this emergency money—we would, without any question of constitutional law, bring the entire banking system of this country into harmony, so far as protection of depositors is concerned.

I do not stand simply for the protection of the depositors of these banks. I stand also for the protection of the people who make loans from the banks. When you quickly draw out the money from a bank and pay it to the depositors, what does it mean? It means the prostration of some man who has borrowed money from the bank and these men are the men of energy and enterprise who have built up the entire country. We want to protect them as well, and the best way to protect them is to prevent constantly recurring panics, to make our banking system so safe that a depositor will never think of going to the bank and demanding his money except for the current demands of his business or of his household. If we do that, we will protect the borrowers of the country, the men of energy, and the men of enterprise, who have made this country what it is.

Mr. President, I am aware that we are going to have some difficulty in getting a sufficiency of basic money to support this great structure of credit which we have built up. We have exaggerated our system of bank loans and we have exaggerated our system of credit money. We have $3,000,000,000 of so-called "money" in this country, only one billion and a half of which is gold. We have to-day $660,000,000 of uncovered paper money. It calls for gold, every dollar of it. We deducting, of course, the gold which is in the Treasury as a redemption fund for the greenbacks and deducting the 5 per cent redemption fund that stands back of the national-bank notes.

UNCOVERED PAPER MONEY.

We have $660,000,000 of uncovered paper money. There is no country in the world—at least, no civilized country—that has so large a proportion, and we propose under this system to add to it over $500,000,000 of uncovered paper money, for, recollect, there is a difference between secured money and covered money. Covered money is the money that is covered dollar for dollar by legal-tender specie, and secured money is money that may be secured by national bonds or by county bonds or by the assets of banks. We have to-day $660,000,000 of uncovered paper money. It calls for gold, every dollar of it. We have to-day $600,000,000 of silver which has been turned by legislation into a call for gold, so that the silver to-day is simply a material upon which a promise to pay gold is stamped, and really it is as much uncovered money to-day as is the paper money to which I have alluded.

How do the other countries of the world stand regarding uncovered paper money? We find that the United States has $660,000,000, to which we propose to add possibly $500,000,000 more. We find that the United Kingdom, consisting of Australia, Canada, the British Islands, and India, with a total population of three or four hundred million people, has only about $200,000,000 of uncovered paper money, whilst we have $600,000,000, with the prospect of $500,000,000 more.

Then comes France, frequently alluded to, which has only $269,000,000 of uncovered paper money. It had more, it is true, immediately after the Franco-Prussian War, for it had to pay off its debt to Germany in gold and had to substitute paper money in its place, and it did so by the issue of the notes of the Bank of France.

But unlike our Government, it immediately sought to cover that extraordinary issue of paper gradually through a series of years by taking in gold and silver, and to-day as a result of their prudent management they have outstanding only $269,000,000 of uncovered paper money, whilst we have kept out our uncovered greenbacks, we have kept out our uncovered national-bank notes, and we propose now to issue $500,000,000 more of uncovered paper money.

There may come a time when the demand will come, not from depositors, but from the holders of this uncovered paper money; there may come a time when war is impending, when they will say, "We demand the redemption in gold," and then the credit of the Government itself will be imperiled, and that of course will involve the imperiling of the interests of all.

Now, I was alluding to France, which has $269,000,000. Italy stands with $150,000,000. Now I come to the South American countries, whose example I am sure none of us would wish to emulate, and we find out of a total of $4,000,000,000 of uncovered paper money, more or less, in the world, of which we have one-sixth and will have one-fourth under this system, South America has over a billion and a half, or one-third of the entire amount. Colombia has $1,000,000,000 of uncovered paper money. Brazil has $363,000,000 of uncovered paper money. Argentina has $293,000,000 of uncovered paper money. Shall we emulate the example of Argentina and of Brazil and of Colombia in our financial system?

And yet Senators make constant allusion upon this floor to the fact that the banks of Europe, the great civilized nations in the world, have a certain elasticity of issue of uncovered paper money. I have shown you how much they have out. The whole British Empire has not over $200,000,000, France only $269,000,000, and Germany with a very inconsiderable amount. You will find that the Bank of England and the Bank of Germany have enormous reserves of gold, and these extensions of currency which they are permitted to make still leave a large reserve of gold in their treasury for the immediate redemption of this paper money when it is presented; and we propose to issue this vast amount of emergency currency in addition to the $660,000,000 of uncovered paper to-day without providing a sufficient redemption fund.

RESPONSIBILITY FOR EXISTING CONDITIONS.

Mr. President, it has been a favorite expression of almost every financial man who has spoken upon the subject during the past year that we have the worst financial system in the world. I ask If we have it, who is responsible for it? What party announced itself to be the party of sound money in 1896? What party challenged the Democracy upon that question? The Republican Party. It has been in full power. The Senator from Rhode Island has been in charge of this committee for 12 years, and yet during that time not a single remedial measure has been brought into this body for the correction of these evils that exist.

On the contrary, the legislation that has been brought in has simply tended to give more uncovered money, to increase the issue, to enlarge the inflation; and the effect of it has been—I will not say the purpose of it was—the organization of these great corporations, the inflated issues of stocks and bonds, the use of the hard earnings of the yeomanry of the country in every section for the promotion of the sale of those stocks and bonds upon the market. We have had every year a system of inflation in New York, followed by a period of contraction, where the public was milked every year by these promoters and speculators, and yet no effort has been made to cure this speculative condition.

On the contrary, every act of legislation has tended to increase the inflation and to increase the opportunity of these men to spoliate the country.

I have no word of reproach against the bankers as a class. I have but the highest respect for the banking organizations of the country. But a system of piratical banking has been engaged in in the great centers of the country for which they are not responsible, but this body is responsible. The Republican Party is responsible, for it has given them the opportunity for this kind of promotion. Think of it! Out of $700,000,000 in reserves in all the national banks of the country, about $500,000,000 is accumulated in three reserve cities, and most of it in the city of New York.

Mr. President, I would not wrench this system violently. I do not believe in radical reform. I believe in progressive reform. I believe we should bring about these things gradually, running over a period of 5, 10, or 20 years, but we should steadily make progress toward a more perfect system of banking, one that will involve the correction of the evils, both of our national-bank system and of our State-bank system, so far as the constitutional power of the Nation can be exercised.

CLEARING-HOUSE ASSOCIATIONS.

So fas as concerns the organization of these clearing-house associations, perhaps I might differ with the action of the committee in some details, yet I think the movement is in the right direction. It accords with the theory of home government, of local self-government.

It gives the banks in a particular State or in a particular banking district, regardless of State lines, the opportunity to get together for mutual support and mutual aid, and that means, of course, the prevention and relief of panics. It means rules regarding the relation of loans to capital and reserves and deposits, for we will find, if we only leave these matters to the regulation of the unions of banks, they will necessarily bring into their councils the best men of the banking fraternity, and their whole power and influence will be exercised in the line of good banking.

Thus far we have run too strongly toward decentralization. I would not run too far toward centralization. The organization of these clearing-house associations is, to my mind, a commendable plan. I would amplify it, however, by admitting the State banks to these organizations, and with the approval of the Secretary of the Treasury and the Comptroller of the Currency, and under certain rules and regulations as to the reserves which they shall keep and the proportion of loans to capital which they will maintain.

NATIONAL BANKING COMMISSION.

We might go a step further in the direction of solidifying the banking interests of the country in the line of the public safety. We might provide that the presidents of the various clearing-house associations shall meet annually in the city of Washington—there would probably be less than 100 of them—and that they should confer here upon matters of mutual concern. We might give them the power to select nine commissioners to constitute, with the Secretary of the Treasury as chairman and the Comptroller of the Currency as secretary, a banking commission, one from each judicial circuit in the country, who would sit permanently at Washington and act in a purely advisory way to the Secretary of the Treasury, the President of the United States, and to Congress itself.

Can there be any doubt but that the clearing-house associations would send here their best men, the best-trained men, the safest men, the truest men, the men of highest character and integrity? They would be brought here in contact with Congress, in contact with the Secretary of the Treasury, with the Comptroller of the Currency, with the President of the United States, and they could be called upon at any time for information and for advice.

I would not at first give them any positive powers. I would simply have them here in an advisory way.

I am aware that this is open to the objection of government by commission. When anyone now suggests the appointment of a commission, the first outcry is "government by commission." We Americans have a way of thinking by the brand. You have only to put on a brand by some name intended to be opprobrious and many people, without thinking of the essential principles involved, condemn it because of the brand.

Whenever the word "centralization," I observe, is used upon that side of the House it is used for that purpose. It is used to summon to your aid the active opposition of Members on this side of the House to measures which your side opposes. And the response is often made, when you brand a thing as a usurpation of power or brand it as centralization, it prevents many men from thinking upon the essential principles.

So recently it has been the custom to brand these commissions and to allude to their action as "government by commission." Mr. President, there is no objection to a commission properly constituted for investigation and report. There is no reason why Congress itself should restrict the membership of every commission it creates to Members of Congress.

There is no reason why commissions should not be appointed in an advisory way to collect information, to make reports, to communicate to Congress, to communicate to the President, to communicate with the Secretary of the Treasury. I submit it is much better to have this method of communication than the present condition of things, where the Secretary of the Treasury is compelled to go to New York as the only source of information when an emergency arises.

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In view of the great apathy and inertia and inactivity of the Committee on Finance under the administration of the Senator from Rhode Island during the last 12 years, I think I am entirely safe in saying that it would be very much better to intrust this question of the reformation of our banking system to the "house of governors" than to the Finance Committee of the Senate.

I stated that the Senator from Rhode Island had referred to the painful inadequacy of our reserves in a recent speech, and I stated that he had warning upon this subject. If I may be permitted, without apparent egotism, to do so, I will refer to a speech which I made over a year ago, before the recent panic, and which possibly the Senator from Rhode Island heard, for he was in the Chamber. I observe the Senator from Rhode Island is retiring from the Senate Chamber. I should like him to hear this, but inasmuch as he is turning a deaf ear to it, I will read it to the rest of the Senate. It is from a speech delivered by me February 26, 1907.

"Now, Mr. President, I wish to say one word regarding the reserves of these banks. We have a system which crowds all the reserves of all the national banks of the country in New York City. That seems to me to be a vicious system, because it collects from every part of the country moneys to be used simply in speculation. When the moneys are needed in the West and in the South a contraction of the volume of money is caused in New York, and we have the stock panics which may at any time be so large in their proportion as to involve bank panics in New York and resulting bank panics throughout the United States."

Mr. CULBERSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Texas?

Mr. NEWLANDS. Certainly.

RECENT PANIC PREDICTED.

Mr. CULBERSON. Noticing that the Senator from Rhode Island has returned to the Chamber, I suggest to the Senator from Nevada to reread the portion he read in his absence, as the Senator from Nevada desired the attention of the Senator from Rhode Island to it.

Mr. NEWLANDS. I will read it again.

"Now, Mr. President, I wish to say one word regarding the reserves of these banks. We have a system which crowds all the reserves of all the national banks of the country in New York City. That seems to me to be a vicious system, because it collects from every part of the country moneys to be used simply in speculation. When the moneys are needed in the West and in the South a contraction of the volume of money is caused in New York, and we have the stock panics which may at any time be so large in their proportion as to involve bank panics in New York and resulting bank panics throughout the United States.

"Now, let us see how much of these reserves can be placed in New York. There are 16 reserve cities provided for by the national banking act. National banks in these cities are required to keep 25 per cent of their deposits in cash, but they are allowed to deposit one-half of such cash in banks in New York City and no other city."

I should add two other cities, St. Louis and Chicago.

"New York is the central reserve city in the United States. The result is that all of these national banks in the 16 reserve cities may really have only cash reserves of 12½ per cent, provided they deposit the remaining 12½ per cent in the national banks of New York City.

"Then, how is it with the other cities that are not reserve cities, the country banks, the banks of the smaller cities? They are compelled by law to keep a reserve of 15 per cent. They must have reserves equal to 15 per cent of their deposits. But they are permitted to deposit three-fifths of their supposed cash reserve in the reserve cities. The result is that under the law the national banks of the smaller cities are compelled to keep on hand only 6 per cent of their deposits, and the remaining three-fifths of the 15 per cent may be deposited in the reserve cities, and then the national banks in the reserve cities can deposit one-half of these moneys in the New York City banks under the system to which I have referred.

"So the tendency is to deposit in New York one-half of all the reserves of all the national banks in the United States"—

I have just shown that in New York City, just prior to the time of the recent panic, about one-half of the entire reserves of all the national banks of the country were in New York City.

"So the tendency is to deposit in New York one-half of all the reserves of all the national banks of the United States. It seems to me that is an unfair advantage to give to New York. It has the effect of building up New York at the expense of her great commercial rivals. It is not fair to Boston; it is not fair to Philadelphia; it is not fair to Baltimore, or to Richmond, or to Atlanta, or to New Orleans, or to San Francisco.

"When you add to these enormous reserves deposited in the New York banks the command of the life insurance moneys of the country, you can see how the entire financial system of the country is made to play into the hands of New York and to promote this speculation, which has been breeding panics year after year.

"It is this system of crowding the cash reserves of the national banks of the entire country into New York that has led to this overcapitalization of railroad securities, of trust securities, of watered stocks and bonds, that have been placed upon the entire public and upon which the public are compelled to pay interest and dividends.

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"Mr. President, it would, of course, revolutionize the banking system of the country if we should attempt to make too radical a change at once in this particular, but I think it is only reasonable to provide in this very bill that hereafter the actual cash to be maintained by these country banks and by these reserve city banks, outside of the central city of New York, shall be increased at the rate of 1 per cent per annum"—

That was my suggestion.

"until we shall have finally a system that will compel the country banks to hold four-fifths of their required reserve of 15 per cent in actual cash in their vaults to meet the demands of their depositors; and that will compel the reserve city banks to keep 25 per cent of actual cash in their vaults to meet the demands of their depositors. If we do this we shall have a safe and sound banking system, and not a banking system that simply aids the promotion of speculation in the country, with its accompanying stock and bank panics."

There the Senator had, if he did me the honor to listen to that speech, an exact picture of what subsequently occurred and what every man

who has been accustomed to think would accept as likely to occur at any time under the existing conditions. I moved an amendment to that bill providing for a gradual increase of the cash reserves to be kept in bank vaults, and the Senator from Rhode Island objected to it and it was defeated.

A COMMISSION OF EXPERTS SUGGESTED.

Now, I have small hopes of this commission, organized as it is, with the experience we have had of the Finance Committee thus far upon this subject. I have little hope of a rational bill being presented to us at the next session. There is certainly nothing in the past experience, nothing certainly in the past action, that would warrant us to have great confidence in the result of the work of this commission. I believe it would be a wise thing to add to this commission an equal number of men, to be selected by the President of the United States. I am sure that he would select men who were eminent in finance or eminent in economics. I should like to see upon that commission some men who are preeminent in sound economics. If we can only have sound economics in this country, we will have sound morals.

Now, we have such men. We have such men in Mr. Jenks, professor at Cornell University. We have such a man in Mr. Conant. These men and men like them have been called to the aid of the Government on financial matters, not only relating to our domestic affairs, but relating to our financial relations with Germany, Mexico, China, and the Philippines. Such men, it seems to me, would aid very much in the deliberations of this commission.

I do not believe in that exalted egotism which assumes in the selection of a commission of this kind that there is no wisdom outside of this body. If we want to have a pair of shoes made, we go to a shoemaker. If we want plumbing done, we go to a plumber. If we want carpenter work done, we go to a carpenter.

But there are some things with reference to which Congress often seems to regard expert aid as almost unnecessary. One of them is art, another is architecture, and another is our system of finance. The habit of mind is growing up in Congress of absolutely excluding the outside world from its deliberations upon these important commissions and from bringing into their membership men of experience and capacity and thought in certain lines of specialty. I do not underrate the capacity or the ability of the Congress of the United States, but I do believe this is an age of specialism. I do believe that in every line of thought and action there are experts, and I should call such men into a commission of this kind as equals in deliberation, and not simply as witnesses to present their views.

Mr. President, I hope that this commission will consider not only the question of domestic finance, but also of international finance. The disruption which took place years ago between the gold-standard countries and the silver-standard countries still exists. That disruption is producing serious results upon trade and commerce—results, perhaps, which we are unconscious of, but which Germany is not unconscious of, which England is not unconscious of, and which France is not unconscious of. Those countries that are upon the cheap silver basis are paying practically the old wages at the market price of silver in the world. Their competitive power is great, and as one reason for the fact that our exports do not increase as they ought to increase—our exports outside of the natural products of manufactured exports—you will find the basis of it in this system of international exchange. That requires study.

I should like to see such men as Jenks and Conant, who have now had a world-wide experience in these matters, upon this commission. You need not fear them. No man can question their devotion to the gold standard; but their studies of the entire world have brought them to the realization of the fact that over three-fourths of the population of the world is not upon the gold standard, and that countries that are desirous of engaging in international exchange of products must consider the question of a suitable international exchange as well as of a suitable domestic exchange.

We have been regardless of this in the past. We have been a country of such extraordinary natural resources that we have been enabled to commit any quantity of economic blunders without injury to ourselves. We have gone on under this system with a high tariff, raising the value of our domestic products by the exclusion of foreign products in competition with them, and we have also, through this system, created within the tariff wall great monopolies that have driven out the competition of the smaller corporations, and have thus been able to raise the prices of their products within the area of monopoly.

In addition to these conditions, which have had a direct effect upon prices and which have raised the cost and the value of everything in this country, including products and labor and real estate and buildings, we have had this system of inflation of bank loans, which has given to every dollar of actual cash in the banks a potential capacity of $10 through the system of bank loans, and we all know that an inflation of credit has the same result as an increase in the volume of money in the effect upon prices. The result is that the prices of labor and the prices of products in this country, created by this system of tariff monopoly and created by this system of inflation of bank loans, are higher than they are anywhere else in the world, and yet we expect to enter into the commerce of the world and to compete with countries who are using a cheaper money than we are, who are manufacturing upon a cheaper basis, with cheaper wages, and the cost of whose ships and the cost of administration of whose ships is vastly less than our own.

And now, under this system of monopoly and subsidy, it is proposed to take the ocean within the area of our subsidizing effort, and to subsidize steamships all over the ocean, with a view to promoting our commerce with other nations.

STABLE CONDITIONS NEEDED.

Mr. President, what we want in this country is a stable standard of value, not a standard that is varying with the seasons—one standard in the spring and another standard in the fall. We do not want a standard that changes with every inflation of banking loans and changes with every diminution of bank loans. What we want are stable values, stable wages, stable prices. A rapid increase in prices is almost as bad as a rapid diminution in prices, for the prices of things always run ahead of the prices of labor; and then we have the struggle of labor to keep up with the prices of products, and that results in all sorts of contentions that involve the very peace of the Republic.

It is time that we were devoting ourselves to sound economics—sound economics regarding our tariff, sound economics regarding our monopolies of production, sound economics regarding our money and banking system, and sound economics regarding our system of international exchange.

Mr. President, I shall vote against this conference report. I trust the Senator from Rhode Island will, upon reflection, yield to the suggestion of so returning this question to the conference committee as to bring out a bill that will meet the demands of the country for reform in the particulars to which I have alluded, and reform in the particulars to which he himself has alluded with rare force and vigor.

[Mar. 4, 1910.]

OUR FINANCIAL SYSTEM SHOULD BE REORGANIZED.

Mr. NEWLANDS. Mr. President, I have been anxious to vote for a bill which, while aiding the Government in its governmental function of maintaining a stable volume of money and aiding the Government to keep that money in the channels of trade free from obstruction or diversion, would at the same time encourage habits of thrift among the wage earners of the country. I shall not enter into the discussion of the constitutional question. I shall assume, for the purposes of argument, that the Government has the power under the Constitution to adopt a measure that will prevent the tying up of the currency of the country, its diversion from the channels of trade, and its withdrawal to the stockings and strong boxes of the people. My contention is that, assuming the constitutional power, this bill does not present a means appropriate to that end. I believe that this measure is only partial in its attempt to guard the country against financial stringency, and that the action which we should take upon the subject should be much broader and more comprehensive.

CONFIDENCE IN BANKS SHOULD BE STRENGTHENED.

In the first place, it must be recollected that the wage earners constitute a very small proportion of the depositors in commercial banks, and that when you do something to allay their alarm in times of crises, you do not necessarily allay the alarm of other classes of the community who are likewise depositors, and who, experience shows, are as likely as the wage earners to take alarm and to withdraw their money from the banks and deposit it in strong boxes. I believe that we should strengthen confidence in the banks by measures strengthening their reserves and their capital, by measures increasing their cooperation and mutual support in times of stringency, by measures which will compel State banks, like State railroads, as instruments of interstate commerce, to apply the safety devices required by the National Government, and by measures bringing them into association with each other in the various financial districts of the country, in mutual supervision and watchfulness that will eliminate bad banking, and in a mutual support that will unite all their forces and resources in time of danger. I would prevent the massing of the reserves of the country banks in the speculative centers, and I would substitute sound banking for the method here proposed of what amounts to a Government guaranty.

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What does safe banking require? Safe banking requires that no bank should be permitted to loan out more than $5 of its depositors' money to every dollar of its capital, because the capital is the ultimate security of the depositors, and the margin should be at least 20 per cent; and it also requires that every bank should hold in its vaults subject to the check of its depositors at least 20 per cent in cash.

If you will look over the statistics, you will find that many of the State banks do not come up to this rule as to capital, and few of them come up to this rule as to reserves. The State trust companies, which of late years have so trenched upon the business of the national banks, have in many notable cases done a commercial business upon a 3 per cent cash reserve.

FINANCIAL SYSTEM REQUIRES REORGANIZATION.

Now, Mr. President, we are only treating symptoms when we pass such a bill as this. Our whole financial system requires reorganization. The Monetary Commission is at work on it; but, instead of doing the things that are easily within reach and doing them quickly, it is bent upon a work that is almost impossible of successful accomplishment, and that, too, an accomplishment which, in the present condition of finance and of speculative control of banks, would be undesirable.

There is just one thing that has characterized the action of Congress with reference to the national banks under the leadership of the Senator from Rhode Island, Mr. Aldrich, as chairman of the Finance Committee, and that has been, legislation tending not to the security of the depositors, but to the increase of the credit facilities of the banks. Look over the whole history of the Finance Committee, under the direction and control of its present chairman, and you will find no measure tending to increase the security of depositors and all legislation tending to increase the credit issues of the bank. Yet, as a matter of fact, we are suffering in this country to-day from too large a money volume and too large issues of credit. The result has been this rise in prices which is felt by all, and which is declaimed against in every household in the country.

The amount of gold in this country has doubled in 10 years. From about $700,000,000 in 1899 it has increased to nearly $1,400,000,000 in 1909. That alone would be an inflation amounting to 100 per cent in our basic money, whilst the population has increased less than 20 per cent. That inflation alone would cheapen the dollar and raise the value of everything that the dollar measured; but, under the inspiration of our financial legislation, the banks have been enabled to add to this inflation caused by the increase of basic money, the inflation caused by increasing the credit facilities of the banks, and we find that, as compared with 10 years ago, the loans of national and State banks, exclusive of savings banks, equaled $10,000,000,000 in 1909, whilst 10 years ago they were only $5,000,000,000. In addition to this, the national banks have been permitted by liberal legislation to increase the issue of national-bank notes from 237,000,000 in 1899 to $685,000,000 in 1909, and these notes are covered by only 5 per cent in gold, held in the redemption fund. And so it is that, although we have during the past 10 years been going through a period of increased production of gold unprecedented in the history of the world, we have been increasing also our substitute money until to-day the United States has in its greenbacks and in its national-bank notes more uncovered paper money than any country in the world.

Mr. CRAWFORD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from South Dakota?

Mr. NEWLANDS. I do.

Mr. CRAWFORD. What does the Senator suggest as an improvement? Would he contract the currency and reduce the circulating medium or curtail the coinage of gold, or what suggestion does the Senator have as a remedy for the increase in prices caused by this inflation?

That is a subject to which I think too little attention is paid at this time, when there is a disposition to complain of increasing prices. Are we to remedy it by reducing the circulating medium and limiting the coinage of gold? What suggestion has the Senator to make?

Mr. NEWLANDS. Mr. President, I will answer the Senator shortly, after I conclude the statement in which I was engaged.

I called attention to the fact that within 10 years the basic money—gold—had increased about $700,000,000 in this country, and that during that period the uncovered paper money had been increased about $400,000,000, and the loans given by the commercial banks—national and State—had increased $5,000,000,000. That $5,000,000,000 of loans has the efficiency of money, for the bank loan is turned into the bank deposit and the depositor to whom the credit is given can check against it, by every check practically adding to the money volume of the country.

The Senator from South Dakota asked me what I would do. In the first place, I would take steps gradually, not immediately or rudely, to check this extraordinary issue of credit by the banks, and I would check it by compelling the banks to keep in their vaults a larger reserve, responsive to the demand of their depositors. To-day we have in all the commercial banks less than $1,400,000,000 in cash, and their obligations to their depositors aggregate over $10,000,000,000. We thus have an average cash reserve in the State banks and the national banks of about 13 per cent.

Mr. CRAWFORD. Mr. President, does the Senator consider that it is a bad condition of affairs for the banks all over the country, both State and national, to be loaded down with currency and with deposits? Would the Senator improve the condition by having less funds in those banks to the credit of depositors?

NO CONTRACTION CONTEMPLATED.

Mr. NEWLANDS. Mr. President, the Senator entirely misapprehends me. I do not propose to diminish by one dollar the volume of real money in this country, but I would take such action as would either compel the national banks to gradually cover their paper money with actual gold to be obtained from the increased production or to gradually retire their uncovered notes, which under existing conditions have been put out for inflation and not for necessary service; and I would compel the national banks, and also the State banks engaged in interstate commerce, to gradually strengthen their reserves by drawing into their vaults the new coin which comes from the increased production of gold, amounting in this country to $100,000,000 annually, and which otherwise would be employed as the basis of increasing the bank loans to the extent of over $500,000,000 annually, for the Senator knows that under the system of bank loans every dollar in the banks' vaults has the efficiency of $5 or more in the exchanges through the bank loan and deposit and check system. I would restrain future inflation gradually by compelling the banks to increase their reserves, which would absorb for a considerable period the current production of gold in this country and tend to prevent that gold from unduly inflating and raising prices, and I would make the increased gold a bulwark of security to the depositors in the banks, strengthening their confidence in the ability of the banks in any emergency to respond to their checks, and thus diminishing the chance of bank runs and bank panics.

Mr. CRAWFORD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nevada yield further to the Senator from South Dakota?

Mr. NEWLANDS. I yield.

Mr. CRAWFORD. That is equivalent, is it not, I would ask the Senator, to contracting the currency; that is, by taking it out of circulation and fixing it in a stationary way as a reserve in the banks? So that, after all, the Senator's remedy is a contraction of the currency.

Mr. NEWLANDS. It does not involve a contraction of the currency. It simply takes the new gold, which is being produced in this country at the rate of $100,000,000 annually, and compels the banks to take that money and put it into their cash reserves, as against their deposit obligations and as a bulwark of security to the depositors themselves.

Will the Senator claim that an average reserve of 13 per cent is sufficient as a security to depositors? Will he claim that a cash reserve of 8 per cent, which is the average cash reserve of the various State banks in the country, is a sufficient security for depositors? If so, why does he not introduce a bill to reduce the reserves required in the national-bank act from 25 per cent in the reserve cities and from 15 per cent in the country banks to 8 per cent? If we are to have reserves, reserves necessarily imply that the money itself must be in the banks. It is not inert, however, for every dollar of cash in a bank enables that bank to issue at least $5 of credit, under the system that I speak of, in the shape of bank loans; and thus every dollar put into a bank has an efficiency of $5 in the exchanges of the country.

All I urge is that you should bulwark the deposit and check system by a sufficient requirement of cash reserves to meet the demands of depositors. What is it that alarms depositors? Are depositors satisfied with the statements that go out that the average loss of all the banks is the infinitesimal part of 1 per cent in a given time? No. Every depositor wants to feel that his money is there responsive to his call, and if he has the least doubt about it, whatever belief he may have about the ultimate security of the money, he wants to get it out, and hence it is necessary to have a large amount of cash always on hand to meet the current checks of the depositors, and it must be sufficient for an emergency. It is a universal rule of good banking that from 20 to 30 per cent is a safe cash reserve for banks.

We in this country have gone to the other extreme, and it accounts for the extraordinary inflation of credit and the extraordinary inflation of prices in this country, for we have had not only the inflation which has reached throughout the world, caused by the increased production of gold, but we have also had the additional inflation from which other countries have not suffered to the same degree—that is, the inflation of the credit system of the banks by which we have put thousands of credit mills to work, practically establishing a currency of their own, and we are beginning to feel the effects of it in an increase of prices that is disorganizing every business; that makes the common denominator, the thing that measures all other values, 30 per cent less in value than it was some years ago, and which has correspondingly raised the price, as compared with it, of all the products that money measures.

It is this of which we complain. It is this that, if continued, is going to bring about a readjustment between the laborers of the country and the employers of the country, a readjustment that will be accompanied by all kinds of violence and distress, unless we by wise and precautionary measures meet the question and restrain this inflation of credit and bring it within true and just proportions.

Mr. CRAWFORD. I simply desire to say——

Mr. NEWLANDS. I wish to state to the Senator that I do not desire to contract.

Mr. CRAWFORD. I will not interrupt the Senator.

Mr. NEWLANDS. I will gladly listen to the Senator. I want to disabuse the Senator's mind of one thing. I do not want to contract anything. I do not want to contract the existing volume of money. I do not want to contract the existing volume of credits. I know as well to-day as anyone that if you diminish the credits $10,000,000,000 extended by the banks to-day even $500,000,000 it would create a paralysis of trade throughout the country. All I wish to do is to restrain further inflation, and I would do that not by contracting the existing volume of money, not by contracting the existing volume of credits, but by putting cash behind the deposits and utilizing the extraordinary output of gold in a way that will add to the security of business throughout the country without impairing values. I would check the rise of prices. I would not by a revolutionary process bring about a readjustment and destruction of prices.

[May 15, 1911.]

LEGISLATIVE PROGRAM FOR THE EXTRA SESSION.

BANKING.

Mr. NEWLANDS. * * * So it is with banking. For years Congress has been enacting laws regarding banking, always with a view to giving the bankers themselves larger privileges, never with a view to protecting depositors and the public at large. The former chairman of our Finance Committee, under whose administration these abuses had been allowed to continue, declared recently that the banking system of the United States was the worst in the civilized word. Banking is a branch of interstate commerce so far as interstate exchange is concerned.

The powers of the National Government over interstate exchange are just as absolute as they are over interstate transportation or interstate trade, yet we have permitted year after year these abuses to exist. We have permitted constant breaks in the exchanges of the country just as intolerable as would be constant breaks in the transportation to the country and just as easily guarded against as would be breaks in transportation. With what tolerance would be view a condition of things under which 10 miles of track would be taken out of each one of the great transcontinental railways of the country at intervals, and interstate transportation be thus disturbed and delayed? With what tolerance would we view the destruction of great railway bridges to the prejudice of interstate commerce? With what tolerance would we view a system under which the railway cars of this country could be drifted to the city of New York and there held for storage purposes, for hire as storage warehouses, when the entire country needed them for the moving of crops? Yet we have permitted this with reference to interstate exchange; we have permitted the reserves of the entire country under our system of law to gravitate to New York, to be used there not for the proper function of banking exchange, but for promotion and speculation.

Then, when the moneys have been tied up there and the country banks have asked for them in order to move the crops of the country, the return of the reserves is denied upon the ground that the withdrawal of those moneys from speculation would bring down the stock market in ruins upon New York and would bring about a destruction of values throughout the entire country; yet it only requires a little legislation, the compelling of these banks to maintain a proper proportion between their capital and their obligations, a thing concerning which there is no injunction now in our present banking law; it will only require a little care regarding reserves, the compelling of country banks to keep in their vaults the larger proportion of their reserves, and preventing them from sending them to New York; it will only require legislation which will bind them together into one great strong body in each of the States for the purpose of mutually insuring bank depositors to prevent these disastrous breaks in exchange, which, resulting from local bank panics here and there, tie up the production and trade of the country and inflict irremediable loss upon enterprise and business throughout the country.

Mr. President, interstate commerce, embracing these three subjects—interstate transportation, interstate trade, and interstate exchange—has only been partially legislated upon, successfully so with reference to interstate transportation; not at all with reference to interstate trade and interstate exchange; and yet the latter two are just as important to the prosperity of the country as is the former, and the country can be as easily protected by proper legislation relating to them as it can be protected against the abuses of transportation.

How have we done this with reference to transportation? Not by ourselves fixing rates, not by ourselves endeavoring to correct every abuse, as we would have the right to do, but by creating an interstate commerce commission as the servant of Congress, to carry out its will under rules fixed by Congress, thus creating a body of intelligent, capable men under the sanction of an oath, acting in a semijudicial capacity, who devote their lives to the scientific study of these questions and are not distracted, as we are, by numerous other duties.

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[May 16, 1911.]

BUSINESS OF THE SESSION—LEGISLATIVE PROGRAM.

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BANKING.

Mr. NEWLANDS. Then there is another question—the banking question. Is there any question more pressing than that before the country to-day? We have, according to the statement of Mr. Aldrich, the late chairman of the Finance Committee of the Senate, the worst banking system that any civilized country of the world has, a banking system under which our banks have not become, as they should be, great machines of exchange, permitting the sale of products between individuals and communities and sections and furnishing the circulating medium through which the sales can be closed, but have been turned into great machines of promotion and speculation, absorbing the cash reserves of the country, tying them up, and then calmly inviting the country banks to suspend payment when an emergency comes.

Are we content to permit these annual or biennial or triennial or decennial breaks in exchange to continue, paralyzing the business of the country, paralyzing trade between communities and sections and States? Are we to take up this question as a question intrusted to the jurisdiction of the Nation alone through the grant of the States, the only right of the States upon the subject matter being to demand of the Union of States that it should fully and beneficially exercise the power granted?

Banks constitute the machinery of exchange. The functions of the banks have been perverted. In order to make them efficient instruments of exchange they must have ample capital as a protection to their depositors; they must keep ample reserves as a protection against the demands of their depositors; and yet Congress has never legislated as to what proportion the capital of a bank shall bear to its obligations to

its depositors. A bank with a capital of $50,000 can accept deposits to the extent of $50,000,000, and the only security that the depositors have is the reserve of their own money within the bank and the $50,000 capital of such a bank.

When banking was a science the laws of the various States absolutely required that no bank should loan its depositors money in excess of five times its capital, thus compelling the banks all the time to maintain a capital equal to 20 per cent of their deposit obligations. Yet the Congress of the United States has made no requirement upon this subject.

Our system ought to be a model system for every State in the Union, but, as the result of our carelessness and indifference upon this subject, the States themselves, formerly careful in this matter, have relaxed their care and within the last decade we have seen companies, misnamed trust companies, with small capital and large deposits, spring up in the various States, and it is these banks that have menaced the safety of the country, oftentimes involving the national banks themselves. It is our function, so long as a State bank engages in interstate commerce, to compel it to maintain the safety appliances that will make it an efficient instrumentality of exchange. We have the same power with reference to a State bank that we have with reference to a State railroad—the State bank engaging in interstate commerce and the State railroad engaging in interstate transportation—to compel either the State bank or the State railroad to apply the safety device that is necessary to make the one an efficient instrumentality of exchange and the other an efficient instrumentality of transportation.

And yet we have done nothing upon this score, and the State banks of the country, under the example of the national banks, relaxing their old-time caution, have been organized with insufficient reserves, some trust companies keeping on hand only 2 or 3 per cent of their deposit obligations. This is the way in which Congress has acted upon that branch of interstate commerce, exclusively intrusted to its jurisdiction—the question of interstate exchange.

As I said yesterday, a system of transportation which would permit breaks here and there by the removal of tracks or by the removal of bridges would be regarded as intolerable, and if it involved interstate transportation, the hand of the Interstate Commerce Commission would be laid upon such delinquency. Yet we permit similar breaks in the exchanges of the country to occur through our neglect of the proper precautions of legislation. No wonder the distinguished former Senator from Rhode Island, Mr. Aldrich, declared our system to be the worst banking system in the world. And now, instead of Congress addressing itself purely to the question of compelling national banks and State banks engaged in interstate commerce to maintain an adequate capital and an adequate reserve, instead of devising means by which they can be associated together in State associations for mutual protection and for the insurance of their depositors, the attention of the country is being directed by the Monetary Commission to a plan for practically reviving the old central-bank system—an improvement, it may be, yet a central-bank system. And that, too, at a time when the Democratic Party is coming into power, or, rather, when it is increasing its power all the time in this body and is now sharing the responsibility of government with the Republican Party, and is likely to come into full power—a party whose traditions are against the creation of a central bank.

If this be so, and if the Republican Party is powerless, even if it had the will, to create a central banking system, is it not wise in this condition of things to establish a modus vivendi as to the banking question; to reach out for reforms that are within reach and which do not involve the principles or the traditions of either party? Why should not some committee of this body be sitting upon that question during these next five months instead of leaving it to the Finance Committee, which is already overcharged with labor? Why should not that whole question be referred to the Interstate Commerce Committee, which has jurisdiction of the question of interstate exchange and which could act on this question while the Finance Committee is deliberating upon matters relating to the tariff?

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[June 22, 1911.]

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PREVENTION OF BANK PANICS.

Mr. NEWLANDS. The third proposal which I suggested for committee consideration was one providing for the protection of bank depositors and the minimizing of bank panics by the organization of a national reserve association in each State, in which the national banks and the State banks engaged in interstate commerce shall be stockholders, such national reserve associations to have ample capital and reserves and to take over the note-issuing functions now enjoyed by the national banks, including the power to issue emergency currency; such associations to have the power to insure or guarantee the depositors of their constituent banks, and in connection therewith powers of examination of such banks; such associations to be brought into federation through a national banking board fairly representative of the different sections of the country, one-half of which shall be selected by such associations and one-half by the President of the United States; and such board to be advisory to the Congress and to the President.

Of course, this is a mere suggestion as to a line of legislative action, coming from a Democrat who is opposed to the suggestion of a central-bank organization such as is recommended by the former distinguished Senator from Rhode Island. It is incumbent upon the Democratic Party to present some measure in opposition to that measure. It is incumbent upon the Democratic Party to present its view upon this question. Already the banks of the country are being organized for the purpose of carrying through the Aldrich monetary bill. Already the commercial organizations of the country are being exploited upon this subject.

Already public sentiment is being created, and it is absolutely essential for the Democratic Party, if it has any distinctive view upon the subject, to present it now. Why should not this party, both in the Senate and in the House, through its membership in committees be engaged in this work, and why should not the Republican committees of the Senate undertake this work? Thus far we have intrusted it to a Monetary Commission, originally composed of Members of the Senate and of the House, but by death and the mutations of politics almost every one of the original members on that commission, so far as the Senate is concerned, has departed from public life. So instead of having the members of that commission active Members of this body as our guides, they occupy the position of any other commission with powers of recommendation.

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Mr. NEWLANDS. I also offer an amendment to the bill introduced by the Senator from Iowa [Mr. CUMMINS], which I send to the desk. The amendment instructs the Secretary of the Treasury to prepare and report for the consideration of Congress such amendments to the national banking act as, in his judgment, are necessary to secure certain results named in the amendment. I ask that it be printed in the RECORD. I will not ask that it be read at the present time.

The PRESIDENT pro tempore. The Chair will state to the Senator that that, not being an amendment to the pending amendment, can only be offered after the pending amendment has been acted upon.

Mr. NEWLANDS. I simply offer it now for the purpose of having it inserted in the RECORD and printed.

The PRESIDENT pro tempore. The Senator can present it now, to be offered at the proper time.

Mr. NEWLANDS. Yes, sir.

The amendment referred to is as follows:

Amendment proposed by Mr. NEWLANDS to the bill (S. 854) as an additional section.

That the Secretary of the Treasury be, and he is hereby, instructed to draft and report for the consideration of Congress such amendments to the national banking act as in his judgment are necessary to secure the following results:

(1) The proper proportion of the capital of the individual national banks to their obligations.

(2) The proper proportion of the reserves of the individual national banks to their obligations.

(3) The proportion of such reserves, if any, which may be deposited by the individual banks in other banks and the restrictions and nature of such deposits.

(4) The examination of such banks by the national authorities.

(5) The organization of such banks into local clearing-house and emergency currency associations, and the inclusion therein of State banks engaged in interstate exchange, and the terms of their inclusion.

(6) The union of the national banks of each State in reserve associations for mutual protection and for protection of depositors, and the inclusion therein of State banks engaged in interstate exchange, and the terms of such inclusion.

(7) The federation of such State associations through a national banking board, composed of members fairly apportioned to the different sections of the country and partly selected by such State associations and partly by the President of the United States; the inclusion in such board of the Secretary of the Treasury as chairman thereof and of the Comptroller of the Currency as secretary thereof.

(8) The powers of such national board, including therein the powers of investigation, publicity, and recommendation to the President and to Congress.

(9) The transfer to the associations above referred to of the note-issuing functions of the constituent banks, and the gradual retirement of a bond-secured currency without dangerous contraction.

(10) The enlargement of the powers of the national banks with a view to enabling them to transact certain business now monopolized by State banks and the restrictions thereon.

(11) And such other amendments as may be advisable to strengthen the individual national banks and the State banks engaged in interstate exchange and to mutually protect them against bank runs, to secure depositors in the prompt payment of their deposits, and to prevent breaks in or paralysis of interstate exchange.

Mr. NEWLANDS. Mr. President, I also give notice that I shall offer an amendment providing that this commission, of which only two out of the eight or nine Senators originally appointed upon it are now in the Senate, and only a few of the Representatives originally appointed upon it are now in the House of Representatives, shall be enlarged by the addition of certain Senators, to be selected by the progressive Republicans and the Democrats, and certain Representatives, who are also to be selected by those organizations. This I do because the present complexion of the commission is six Republican Senators as against two Democratic Senators, and in the House five Republican Representatives as against two Democratic Representatives.

Mr. BURTON. Mr. President, I should not favor the proposition just mentioned by the Senator from Nevada [Mr. NEWLANDS], although a statement can be made even stronger than that which he has just given to the Senate. There is not a single member of the nine originally selected from the Senate who is now a member of the commission. One member selected from the other House, but now in the Senate, is a member of the commission, but the status of that member is somewhat doubtful in view of the amendment now presented. I think it unquestionably best that the commission as now constituted should finish its work. If there is then further work to be done, the commission may be reorganized or new members added. I should especially deprecate the appointment of other members before the present commission makes its report, because in that event the commission would have to begin its work over again with new men.

Mr. President, I commenced on Wednesday last to set before the Senate the problems to be considered by the National Monetary Commission and sought to explain with some degree of elaboration the banking and currency problem now pending before the country. I find that I shall not have opportunity to finish my remarks before the hour fixed for a vote, but, with the indulgence of the Senate, at some later day during the week I

shall seek an opportunity to complete what I commenced to say. I do not, however, wish to interfere with the consideration of any revenue bill or in any way delay the completion of the business of the Senate, for I share with others the anxiety for an early adjournment. However, if there should come a time when no other Senator desires to engage the attention of the Senate in discussion I shall seek to occupy some further time. I will be glad now to yield to the Senator from Iowa if he desires to speak, and if he concludes before 1 o'clock and 45 minutes p. m., I may resume.

Mr. CUMMINS. Mr. President, I shall consume but a very few moments. In so far as I can do so, I accept the amendment proposed by the Senator from Ohio [Mr. BURTON], and I hope that all the friends of this measure will see in the amendment the substantial accomplishment of the purposes that I had in view. My purpose was, first, to require the commission to make a report so that Congress might again be in the possession of the subject and enter upon any legislation that might be thought necessary in order to better our banking laws and our financial system. This amendment changes my bill in that respect only in postponing the time at which the report is required from the 4th day of December to the 8th day of January. I believe it is wise to defer the report until January. My bill was introduced early in the session, and I hoped that it might be passed long ago. We are now in the closing hours of the session, and before the bill is passed, if it is passed, we will then be within something like three months of the next session, and I can very easily appreciate that the commission will need longer than that time in order to complete its report. I am, therefore, very willing to make the date the 8th of January, instead of the 4th of December.

The bill I introduced going into effect on the 5th of December abolished the commission as of that date. The amendment proposed by the Senator from Ohio continues the commission until the 1st day of May. I have no serious objection to the perpetuation of the commission during that period. I would not, however, have consented to accept the amendment were it not that suitable provisions are made in the amendment proposed by the Senator from Ohio for the discontinuance of the expense of the commission. The amendment provides, as I understand, that there are to be no salaries after the approval of this bill for the members of the commission, whether they be Members of Congress or whether they be not. It also provides that from and after the passage of this bill there shall be no duplication of compensation paid to employees of the commission, as has been unfortunately the case in the past. Therefore the amendment proposed by the Senator from Ohio accomplishing all that I had originally desired to accomplish, and not being now, and hoping that I never will be, especially attached to my own particular phraseology, but always wishing to reach the desired object, I hope sincerely that the amendment proposed will be adopted, and that the bill, as thus amended, will receive the approval of every Member of the Senate.

Mr. BURTON. Mr. President, if there is no one else who desires to speak—the order being to vote at 1.45 p. m.—I desire to be recognized. When I suspended my remarks on Friday last I was speaking of the different kinds of currency issued under what is known as the Aldrich-Vreeland bill. One class is based upon bonds of municipalities, States, and so forth; the other upon commercial paper. The issue of circulating notes can not exceed 75 per cent of the face value of such commercial paper, and must be guaranteed by an association made up of banks having a capital of not less than $5,000,000.

Mr. President, I can hardly approve of the first class of currency, namely, that which is based upon bonds. The inevitable result is too great a degree of rigidity. It requires banks to keep a class of securities which they would not naturally retain in the ordinary transaction of their business. That is especially true of newly settled localities, where it is desirable, yes, essential, that a banking institution should be able to utilize every possible resource for the accommodation of the community in which it is located.

Mr. NEWLANDS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from Nevada?

Mr. BURTON. In a moment. If, however, the law required that additional currency be issued upon bonds, each institution would desire, at the very beginning of the transaction of business, to buy a certain amount of bonds so as to be prepared when the time comes for additional demands to issue further currency. Again, the plan of issuing circulating notes based upon municipal securities, State, and so forth, gives an undue advantage to the older communities or those in which rates of interest are low. They can purchase bonds and carry them profitably, while a bank located in a community on the frontier, or where the demand is more active, could not.

Mr. NEWLANDS and Mr. HEYBURN addressed the Chair.

The PRESIDENT pro tempore. To whom does the Senator from Ohio yield?

Mr. BURTON. I yield first to the Senator from Nevada.

Mr. HEYBURN. I desire to ask a question of the Chair.

Mr. NEWLANDS. The time is approaching for a vote. I understand that when that time arrives debate is excluded. I therefore ask the Senator, as he obviously has not time now to conclude his remarks, whether he will consent to the addition of a section providing for a report from the Secretary of the Treasury for the consideration of Congress of such amendments to the national banking act as, in his judgment, are necessary to secure the following result. Those results are substantially——

Mr. BURTON. Mr. President——

The PRESIDENT pro tempore. Will the Senator from Nevada submit to an interruption?

Mr. NEWLANDS. Yes.

Mr. BURTON. That, I understand, is the amendment proposed by the Senator from Nevada several days ago.

Mr. NEWLANDS. The amendment I proposed the other day was that the Monetary Commission itself should pass upon these questions.

Mr. HEYBURN. I rise to a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Nevada will suspend. The Senator from Idaho rises to a parliamentary inquiry. The Senator will state it.

Mr. HEYBURN. I desire to know whether or not after the hour of 1.45 it will be in order to ask for the reading of the amendment——

The PRESIDENT pro tempore. The Chair thinks undoubtedly it will be.

Mr. HEYBURN. All amendments before they are voted upon, because I desire to have an amendment read before I vote upon it?

The PRESIDENT pro tempore. All amendments which have been offered, or which may be offered, can be read before the vote is taken.

Mr. BURTON. A parliamentary inquiry. Does the request for the reading of the amendment take precedence before the disposition of the question of the Senator from Nevada?

Mr. HEYBURN. I am not now asking for the reading. I only do not want to be foreclosed three minutes and a half from now.

Mr. BURTON. I think if the Senator from Idaho would suspend, we will finish this in two moments.

Mr. HEYBURN. Well, we have just three minutes left.

Mr. NEWLANDS. The Senator from Ohio will recall that the other day I offered an amendment requesting a report from the Monetary Commission upon certain propositions.

Mr. HEYBURN. I desire that the Chair rule upon my parliamentary inquiry.

The PRESIDENT pro tempore. The Chair has already stated that when amendments are presented for the action of the Senate they will be read at the request of any Senator.

Mr. NEWLANDS. The Senator from Ohio will recall that the other day I offered an amendment providing that the Monetary Commission should report upon certain propositions, submitted in my amendment, regarding the strengthening of individual banks, their federation in State associations, and their federation nationally through a national banking board.

The objection to that is that the commission has already outlined its views, and that we would be calling upon a hostile commission to report upon these propositions. I have now changed my amendment so as to provide that the Secretary of the Treasury shall report upon these questions, with a view to strengthening the banking act.

Mr. BURTON. The answer to that is perfectly clear.

Mr. NEWLANDS. I ask the Senator from Ohio whether he will consent to that being appended as an additional section?

Mr. BURTON. The answer to that is perfectly clear. If the Senator from Nevada desires that an inquiry be made of the Secretary of the Treasury, let him make it, and not engraft it on a monetary commission bill. It does not belong here. Indeed, I think a point of order would lie. If the Senator from Nevada——

Mr. CULBERSON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from Texas?

Mr. BURTON. I will yield in just a moment. If the Senator from Nevada desires the Monetary Commission to report upon

his questions, I will give him such assurance as I may that the report of the commission will be responsive to his inquiries. If I have time later during the week I will try to reply in extenso to the questions which he has propounded.

Mr. CULBERSON. I desire to ask the Senator from Ohio a question.

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from Texas?

Mr. BURTON. I do.

Mr. CULBERSON. The first section of the substitute proposed by the Senator from Ohio requires the commission to make a report by the 8th of January, 1912. Notwithstanding that report is required of the commission, its life is extended until the 1st of May, 1912. I ask what necessity there is to continue the commission after it has made its final report?

Mr. BURTON. So that if there is any further question upon which a report is desired the commission may make it. Section 1 does not provide for a final report. It is a report. It is quite likely that after a report is made Congress will demand that some questions not elaborated may be still further considered and reported upon by the commission.

The PRESIDENT pro tempore. The hour of 1 o'clock and 45 minutes p. m. having arrived, the Secretary will read the unanimous-consent agreement.

The Secretary read as follows:

It is agreed by unanimous consent that at 1.45 o'clock p. m. on Monday, August 14, 1911, without further debate, a vote be taken upon the pending amendment and any amendments to be offered to S. 854, "A bill to require the National Monetary Commission to make final report on or before December 4, 1911, and to repeal sections 17, 18, and 19 of the act entitled 'An act to amend the national banking laws,' approved May 30, 1908, the repeal to take effect December 5, 1911," and upon the bill itself to final disposition thereof.

The PRESIDENT pro tempore. The pending amendment is the substitute offered by the Senator from Ohio.

Mr. HEYBURN. I ask that the amendment be reported.

The PRESIDENT pro tempore. Before the amendment is read it is proper for the Chair to make a statement.

The Chair at the time it made the reply to the Senator from Nevada that his amendment was not then in order did not understand that the amendment offered by the Senator from Ohio was a substitute for the whole. That being the case, the Chair desires to state that before voting upon the substitute it will be necessary that any amendments which are desired to be engrafted upon it shall be offered and acted upon. In other words, that the substitute itself is open to amendment. If the substitute is adopted, the bill can not thereafter be amended.

Mr. BURTON. Has the amendment of the Senator from Nevada been read?

The PRESIDENT pro tempore. It has not.

Mr. NEWLANDS. It has not. I will——

The PRESIDENT pro tempore. The Senator from Nevada desires to offer it, and it is in order.

Mr. BURTON. I reserve the point of order upon the amendment.

The PRESIDENT pro tempore. Does the Senator from Nevada desire to offer it as an amendment to the substitute or as an amendment to the original bill?

Mr. NEWLANDS. I offer it as an amendment to the substitute, as an additional section, and ask that it be read.

The PRESIDENT pro tempore. The Secretary will read the amendment offered by the Senator from Nevada.

The SECRETARY. It is proposed to add at the end of the proposed substitute the following words:

SEC. —. That the Monetary Commission be, and it is hereby, instructed to draft and report for the consideration of Congress such amendments to the national banking act as, in its judgment, are necessary to secure the following results:

1. The proper proportion of the capital of the individual national banks to their obligations.

2. The proper proportion of the reserves of the individual national banks to their obligations.

3. The proportion of such reserves, if any, which may be deposited by the individual banks in other banks, and the restrictions and nature of such deposits.

4. The examination of such banks by the national authorities.

5. The organization of such banks into local clearing house and emergency currency associations, and the inclusion therein of State banks engaged in interstate exchange, and the terms of their inclusion.

6. The union of the national banks of each State in reserve associations for mutual protection and for protection of depositors, and the inclusion therein of State banks engaged in interstate exchange, and the terms of such inclusion.

7. The federation of such State associations through a national banking board, composed of members fairly apportioned to the different sections of the country, and partly selected by such State associations and partly by the President of the United States; the inclusion in such board of the Secretary of the Treasury as chairman thereof and of the Comptroller of the Currency as secretary thereof.

8. The powers of such national board, including therein the powers of investigation, publicity, and recommendation to the President and to Congress.

9. The transfer to the associations above referred to of the note-issuing functions of the constituent banks and the gradual retirement of a bond-securing currency without dangerous contraction.

10. The enlargement of the powers of the national banks with a view to enabling them to transact certain business now monopolized by State banks, and the restrictions thereon.

11. And such other amendments as may be advisable to strengthen the individual national banks and the State banks engaged in interstate exchange and to mutually protect them against bank runs, to secure depositors in the prompt payment of their deposits, and to prevent breaks in or paralysis of interstate exchange.

Mr. NEWLANDS. I will state that that simply asks for a report upon these questions for the consideration of Congress.

Mr. BURTON. Mr. President, since the Senator from Nevada has said a word, I will say that all of these subjects are within the purview——

Mr. HEYBURN. I rise to a point of order. Debate is not in order.

The PRESIDENT pro tempore. No explanation is in order.

Mr. BURTON. I would not have made the remark except that the Senator from Nevada having made an explanation I desired to explain the other side.

The PRESIDENT pro tempore. No debate is in order. The question is on agreeing to the amendment offered by the Senator from Nevada to the substitute offered by the Senator from Ohio.

Mr. NEWLANDS. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. FLETCHER (when Mr. BRYAN's name was called). I desire to announce that my colleague has been called home on account of the death of his father. I make this announcement for the day.

Mr. CLARK of Wyoming (when his name was called). I have a general pair with the senior Senator from Missouri [Mr. STONE]. I understand that the Senator from Missouri is detained from the Chamber by illness. Therefore I withhold my vote upon this and other roll calls to-day.

Mr. CULBERSON (when his name was called). I transfer my general pair with the Senator from Delaware [Mr. DU PONT] to the Senator from Florida [Mr. BRYAN], and will vote. I vote "yea."

Mr. CURTIS (when his name was called). I have a general pair with the junior Senator from Nebraska [Mr. HITCHCOCK]. Were he present, I should vote "nay." I make this announcement for the day.

Mr. MYERS (when Mr. DAVIS's name was called). I have been requested to announce that the Senator from Arkansas [Mr. DAVIS] has a general pair with the Senator from New Hampshire [Mr. GALLINGER]. I will let this announcement stand for the day.

Mr. DILLINGHAM (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. TILLMAN], which I transfer to the junior Senator from Massachusetts [Mr. CRANE], who is detained from the Chamber. On this question I vote "nay."

Mr. BURNHAM (when Mr. GALLINGER's name was called). I desire to state that my colleague is necessarily absent. He is paired with the Senator from Arkansas [Mr. DAVIS]. I desire this announcement to stand for the day.

Mr. CUMMINS (when Mr. KENYON's name was called). I desire to announce that my colleague is unavoidably detained from the Senate. I make this announcement for all votes that may be had to-day.

Mr. NELSON (when Mr. MCCUMBER's name was called). I desire to state that the Senator from North Dakota is unavoidably absent. He has a general pair with the senior Senator from Mississippi [Mr. PERCY]. I will allow this announcement to stand for the day.

Mr. PAYNTER (when his name was called). I have a general pair with the Senator from Colorado [Mr. GUGGENHEIM]. He is necessarily detained from the Senate, and I therefore withhold my vote.

Mr. PERCY (when his name was called). I have a pair with the senior Senator from North Dakota [Mr. MCCUMBER], and therefore withhold my vote.

Mr. SMITH of South Carolina (when his name was called). I have a general pair with the junior Senator from Delaware [Mr. RICHARDSON]. He being absent, I withhold my vote.

The roll call was concluded.

Mr. SMOOT. I desire to state that my colleague [Mr. SUTHERLAND] is unavoidably detained from the Senate. He has a general pair with the senior Senator from Maryland [Mr. RAYNER]. I will allow this notice to stand for the day.

Mr. OWEN. I wish to announce the pair of my colleague [Mr. GORE] with the Senator from Connecticut [Mr. MCLEAN].

Mr. REED. I desire to announce that my colleague [Mr. STONE] is unavoidably detained from the Chamber by illness.

Mr. SMITH of South Carolina. I announced my pair with the Senator from Delaware [Mr. RICHARDSON]. I transfer the pair to the junior Senator from Maryland [Mr. SMITH] and will vote. I vote "yea."

The result was announced—yeas 25, nays 36, as follows:

YEAS—25.

Chamberlain	Johnson, Me.	Newlands	Swanson
Chilton	Kern	Overman	Taylor
Clapp	La Follette	Owen	Watson
Clarke, Ark.	Lea	Pomerene	Williams
Culberson	Martin, Va.	Reed	
Fletcher	Martine, N. J.	Shively	
Foster	Myers	Smith, S. C.	

NAYS—36.

Bankhead	Cullom	Lodge	Simmons
Bourne	Cummins	Nelson	Smith, Mich.
Bradley	Dillingham	Nixon	Smoot
Brandegee	Dixon	O'Gorman	Stephenson
Briggs	Gamble	Oliver	Thornton
Bristow	Heyburn	Page	Townsend
Brown	Johnston, Ala.	Perkins	Warren
Burnham	Jones	Poindexter	Wetmore
Burton	Lippitt	Root	Works

NOT VOTING—28.

Bacon	Curtis	Hitchcock	Percy
Bailey	Davis	Kenyon	Rayner
Borah	du Pont	Lorimer	Richardson
Bryan	Gallinger	McCumber	Smith, Md.
Clark, Wyo.	Gore	McLean	Stone
Crane	Gronna	Paynter	Sutherland
Crawford	Guggenheim	Penrose	Tillman

So the amendment of Mr. NEWLANDS to the substitute of Mr. BURTON was rejected.

The PRESIDENT pro tempore. The question is now on the adoption of the substitute offered by the Senator from Ohio [Mr. BURTON] in lieu of the original bill.

Mr. CULBERSON. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. POINDEXTER. I should like to have the substitute read.

The PRESIDENT pro tempore. The Secretary will again read the substitute.

The SECRETARY. It is proposed to strike out all after the enacting clause and insert:

That the National Monetary Commission, authorized by sections 17, 18, and 19, of an act entitled "An act to amend the national banking laws," approved May 30, 1908, is hereby directed to make and file a report on or before the 8th day of January, 1912.

SEC. 2. That sections 17, 18, and 19 of an act entitled "An act to amend the national banking laws," approved May 30, 1908, be, and the same are hereby, repealed; the provisions of this section to take effect and be in force on and after the 5th day of May, 1912, unless otherwise provided by act of Congress.

SEC. 3. That the first paragraph under the subject "Legislative," on page 28 of an act (Public, No. 327, H. R. 28376, 60th Cong., 2d sess.), entitled "An act making appropriations to supply deficiencies in the appropriations for the fiscal year ending June 30, 1909, and for prior years, and for other purposes," approved March 4, 1909, reading as follows: "That the members of the National Monetary Commission, who were appointed on the 30th day of May, 1908, under the provisions of section 17 of the act entitled 'An act to amend the national banking laws,' approved May 30, 1908, shall continue to constitute the National Monetary Commission until the final report of said commission shall be made to Congress; and said National Monetary Commission are authorized to pay to such of its members as are not at the time in the public service and receiving a salary from the Government, a salary equal to that to which said members would be entitled if they were Members of the Senate or House of Representatives. All acts or parts of acts inconsistent with this provision are hereby repealed," be, and the same is, hereby repealed.

SEC. 4. That no one receiving a salary or emoluments from the Government of the United States, in any capacity, shall receive any salary or emolument as a member or employee of said commission from the date of the passage of this act.

Mr. HEYBURN. I move to amend the substitute by striking out the words "the 1st day of May" and inserting in lieu thereof "the 5th day of December," so that the existence of the commission will terminate on the 5th day of December, as originally provided.

The PRESIDENT pro tempore. The Secretary will state the amendment offered by the Senator from Idaho to the amendment.

The SECRETARY. In section 2, strike out the words "1st day of May, 1912," and in lieu insert "5th day of December, 1911."

Mr. CULBERSON. I ask for the yeas and nays on agreeing to the amendment to the amendment.

Mr. HEYBURN. I have just observed that they are required to report on the 8th day of January, and I will ask that my amendment to the amendment be corrected so as to substitute the 8th day of January for the 1st day of May.

The PRESIDENT pro tempore. The Senator from Idaho has a right to modify his amendment to the amendment. The amendment to the amendment, as modified, will be read.

The SECRETARY. Strike out the words "1st day of May" where they appear and insert "8th day of January."

The PRESIDENT pro tempore. Upon this question the Senator from Texas [Mr. CULBERSON] asks for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CULBERSON (when his name was called). I transfer my general pair with the Senator from Delaware [Mr. DU PONT] to the Senator from Florida [Mr. BRYAN], and vote. I vote "yea."

Mr. CURTIS (when Mr. GUGGENHEIM's name was called). I was requested to announce that the Senator from Colorado [Mr. GUGGENHEIM] is paired with the senior Senator from Kentucky [Mr. PAYNTER]. I make this announcement for the day.

Mr. PERCY (when his name was called). I announce my pair with the senior Senator from North Dakota [Mr. MCCUMBER], and therefore withhold my vote.

Mr. SMITH of South Carolina (when his name was called). I have a general pair with the junior Senator from Delaware [Mr. RICHARDSON], and therefore I withhold my vote.

The roll call was concluded.

Mr. CLAPP. I desire to state on behalf of the junior Senator from North Dakota [Mr. GRONNA] that he is unavoidably detained on account of sickness in his family. I will let this statement stand for the day.

The result was announced—yeas 32, nays 30, as follows:

YEAS—32.

Borah	Fletcher	Martine, N. J.	Pomerene
Bourne	Heyburn	Myers	Reed
Bristow	Johnson, Me.	Nelson	Smith, Mich.
Brown	Johnston, Ala.	Newlands	Swanson
Chamberlain	Kern	O'Gorman	Taylor
Clapp	La Follette	Overman	Townsend
Clarke, Ark.	Lea	Owen	Watson
Culberson	Martin, Va.	Poindexter	Williams

NAYS—30.

Bankhead	Cullom	Lodge	Smoot
Bradley	Cummins	Nixon	Stephenson
Brandegee	Dillingham	Oliver	Thornton
Briggs	Dixon	Page	Warren
Burnham	Foster	Penrose	Wetmore
Burton	Gamble	Perkins	Works
Chilton	Jones	Root	
Crawford	Lippitt	Shively	

NOT VOTING—27.

Bacon	du Pont	Lorimer	Simmons
Bailey	Gallinger	McCumber	Smith, Md.
Bryan	Gore	McLean	Smith, S. C.
Clark, Wyo.	Gronna	Paynter	Stone
Crane	Guggenheim	Percy	Sutherland
Curtis	Hitchcock	Rayner	Tillman
Davis	Kenyon	Richardson	

So Mr. HEYBURN's amendment to Mr. BURTON's amendment was agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the substitute as it has been amended, on which the yeas and nays have been ordered.

The Secretary proceeded to call the roll.

Mr. CULBERSON (when his name was called). I transfer my general pair with the Senator from Delaware [Mr. DU PONT] to the Senator from Florida [Mr. BRYAN] and vote. I vote "nay."

Mr. CURTIS (when his name was called). I am paired with the junior Senator from Nebraska [Mr. HITCHCOCK]. Were he present I should vote "yea."

Mr. SMITH of South Carolina (when his name was called). I again announce my pair with the junior Senator from Delaware [Mr. RICHARDSON], and in his absence withhold my vote.

The roll call was concluded.

Mr. REED. I desire to announce the unavoidable absence of my colleague [Mr. STONE]. He is detained at his residence by illness.

The result was announced—yeas 56, nays 6, as follows:

YEAS—56.

Bankhead	Cullom	Lodge	Root
Borah	Cummins	Martin, Va.	Shively
Bourne	Dillingham	Martine, N. J.	Simmons
Bradley	Dixon	Nelson	Smith, Mich.
Brandegee	Fletcher	Nixon	Smoot
Briggs	Foster	O'Gorman	Stephenson
Bristow	Gamble	Oliver	Swanson
Brown	Heyburn	Overman	Taylor
Burnham	Johnson, Me.	Page	Thornton
Burton	Johnston, Ala.	Penrose	Townsend
Chilton	Jones	Perkins	Warren
Clapp	Kern	Poindexter	Watson
Clarke, Ark.	La Follette	Pomerene	Wetmore
Crawford	Lea	Reed	Works

NAYS—6.

Chamberlain	Myers	Owen	Williams
Culberson	Newlands		

NOT VOTING—27.

Bacon	du Pont	Lippitt	Richardson
Bailey	Gallinger	Lorimer	Smith, Md.
Bryan	Gore	McCumber	Smith, S. C.
Clark, Wyo.	Gronna	McLean	Stone
Crane	Guggenheim	Paynter	Sutherland
Curtis	Hitchcock	Percy	Tillman
Davis	Kenyon	Rayner	

So Mr. BURTON's amendment as amended was agreed to.

The bill was reported to the Senate as amended and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to require the National Monetary Commission to make final report on or before January 8, 1912, and to repeal sections 17, 18, and 19 of the act entitled 'An act to amend the national banking laws,' approved May 30, 1908, the repeal to take effect January 8, 1912."

THE COTTON SCHEDULE.

Mr. BAILEY. Mr. President——

The PRESIDENT pro tempore. The Chair will beg the Senator from Texas to suspend for a moment until the unfinished business can be laid before the Senate, which was necessarily postponed in the execution of the unanimous-consent order.

Mr. BAILEY. Very well.

The PRESIDENT pro tempore. The Chair will then recognize the Senator from Texas. The Chair lays before the Senate the unfinished business, which is House bill 12812.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12812) to reduce the duties on manufactures of cotton.

TARIFF DUTIES ON WOOL.

Mr. BAILEY. Mr. President, I came into the Chamber from the cloakroom as the Senator from Pennsylvania [Mr. PENROSE] was having read to the Senate the stenographer's notes of the proceedings of the conference committee on the wool bill (H. R. 11019), and I heard the statement that by unanimous consent it was agreed that the papers connected with that bill should be left with the conferees of the House. I have no doubt that the stenographer thought he correctly recorded that transaction, but he did not. What happened was this: When we first assembled the conferees of the House notified the conferees of the Senate that they had the physical possession of the papers in the case. The conferees of the House made no effort to claim that they were entitled to that physical possession under the rules which govern the intercourse between the two Houses, but the conferees of the Senate did not then, and did not afterwards, make any objection, because we did not at that point or at any subsequent stage of the proceeding consider the matter of any practical importance.

I do not announce it for my associates on the committee, but my own opinion is that the conferees of neither House can do as they please with the papers relating to a matter before them. I think if the conferees of one House were improperly in possession of the papers the only way to proceed would be for the House having the wrongful possession of the papers to instruct its conferees to deliver them. I would not be apt to agree that a committee of either House could take papers relating to the transactions between them and do with those papers as they might choose.

I felt then, and I think now, that if it had been a matter of sufficient importance to have raised the question, the orderly procedure would have been for us to have returned to the Senate and reported to the body to whom we owed our appointment the mistake which had been made by the clerk of the Senate in transmitting the papers to the House, and then offered a resolution asking the House to return those papers to the Senate. I would not have felt that the conferees of the House had such control over those papers as that they might pass them out of their control without the sanction or the authority of the House.

When we found ourselves in that condition we made no demand for the papers, because we attached no importance to whether they were in the possession of the House or the Senate conferees, and what we did was tantamount to a unanimous consent, perhaps, but it was not unanimous consent because I would not have believed it was in our power to give such unanimous consent. The most that we could do, and all we did do, as I understood it and as I remember it, was to make no insistence upon the delivery of the papers to us.

Mr. President, I would not have thought it necessary to detain the Senate with a repetition of this matter, except that I saw it was made the subject of controversy in the other House, and have since read the proceedings had there. It is not proper for me to refer to them and not proper for me to refer to any statement made in the House with reference to them, but I thought it proper for me to rehearse, for incorporation in the RECORD, my understanding of the matter.

Mr. HEYBURN. Mr. President, I have not thought that the physical possession of the papers was material when by the rule the possession is fixed. I doubt if it is material which House or which set of conferees have the physical possession of them. In contemplation of law they are held to be in the possession of one or the other as the conditions exist. Now, it is material, because had the law been observed—and I use the term "law" because both Houses have made Jefferson's Manual the legislative law to govern it; it is not like a question resting upon the rules of the Senate; it rests upon a law that is common to both branches of Congress, which says—I think it is Rule XLVI, though I have no check on it—the papers shall be with the House or the conferees, designating them; and if the law says they are there they are there; the physical possession of them is not at all material. Had the law been observed the question would now have been before this body and not before another; and did this body debate the question of the report of the conferees it might result in the report never going to the other body, and it would then become very material. It might be very material now. If we were approaching the end of a short session and the question of the adoption of the report of the conferees were before this body, and never left it, then the conference report would never be acted upon by Congress and legislation would be defeated because of that fact.

We sit here, having jurisdiction of this question by express provision of legislative law. The physical possession of the papers is not material. In law we have possession of the papers just as much as though they were on the desk in this body. It is competent for the conferees representing this body to report at any time, regardless of the fact that the physical possession of the papers is not with them. I think that is sound as a proposition of law. So, instead of waiting for an unauthorized body to act upon them, we should be acting upon them ourselves.

I have had it in my mind since this situation presented itself to me before the adjournment on Saturday to object to this body receiving the conference report when it comes here, on the ground that it comes from a body not having jurisdiction to pass upon it, and that we should disregard their action, because the action should have been by this body. I still have it in mind to raise that question when the report comes to this body, unless it comes from our own conferees as the original report. Should they, after giving this matter attention, conclude that they are at full liberty to report to his body to-day, or at any time, not as coming from the other branch of Congress but as the rightful original action of the conferees of this body, then, of course, my objection would be without point.

Mr. JOHNSTON of Alabama. Mr. President——

The PRESIDING OFFICER (Mr. BRANDEGEE in the chair). Does the Senator from Idaho yield to the Senator from Alabama?

Mr. HEYBURN. Certainly.

Mr. JOHNSTON of Alabama. I want to ask the Senator from Idaho if he thinks the action by the other House first on this matter will have any effect upon the disposition that the President will make of the bill?

Mr. HEYBURN. I do not know about that, but that question does not enter into it. It is a question of the order of procedure in the legislative bodies according to their jurisdiction. It may be that, as suggested by the Senator from Alabama, it would not make any difference in the ultimate result, and yet it may. It might be that the bill would never reach the President if it came here, as it should have come and must come, in my opinion, from our conferees. It may remain here and not go to the other body for consideration. The other body can not take this matter up for consideration unless it is received under parliamentary rules from this body. We can not take this matter up, received from an unauthorized body. That question I have it in mind to urge. The proper thing to be done by our conferees is to report without waiting for the unauthorized action of another body. If we act within the law, the other body may or may not have occasion to pass upon this matter. It may never reach them. The discussion of the report of the conferees in this body may outlast the session, and it may never go to the other body at all for their action. It is obvious that the question is a material one and not to be lightly passed over. I make this suggestion at this time in order that our conferees may see the light and report the result of the conference to the Senate, from which their orders were received, and let the Senate take the action that must precede any action by the other body.

ST. CROIX RIVER BRIDGE.

Mr. NELSON. Mr. President, I ask unanimous consent for the present consideration of the bill (H. R. 6747) to reenact an act authorizing the construction of a bridge across the St. Croix River, and to extend the time for commencing and completing the said structure.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

EXTRA MONTH'S PAY TO EMPLOYEES.

Mr. CLAPP. I ask unanimous consent for the present consideration of Senate joint resolution 54, which I introduced on Saturday last. I desire to offer certain amendments to it.

The PRESIDING OFFICER. The Secretary will read the joint resolution.

The joint resolution (S. J. Res. 54) to reimburse the officers and employees of the Senate for mileage and expenses incident to the first session of the Sixty-second Congress was read, and, there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

Mr. CLAPP. On page 1, line 3, I move to strike out the word "Senate" and to insert the word "Treasury," so that it will read "Secretary of the Treasury."

The amendment was agreed to.

Mr. CLAPP. On page 1, line 5, after the word "Senate," it is proposed to insert the words "and House of Representatives," so that it will read "Senate and House of Representatives."

The amendment was agreed to.

Mr. WARREN. I ask that the joint resolution may be now read as amended.

The PRESIDING OFFICER. The Secretary will read the joint resolution as amended.

The Secretary read the joint resolution as amended, as follows:

Resolved, etc., That the Secretary of the Treasury be, and he hereby is, authorized and directed to pay to the officers and employees of the Senate and the House of Representatives borne on the annual and session rolls on the 1st day of July, 1911, including the official reporters of the Senate and W. A. Smith, CONGRESSIONAL RECORD Clerk, as reimbursement for mileage and expenses and for extra services during the first session of the Sixty-second Congress, a sum equal to one month's pay at the compensation then paid to them by law, the same to be paid out of any moneys in the Treasury not otherwise appropriated, and to be immediately available.

Mr. CULBERSON. Mr. President, I have just come in. I should like to hear the first part of the joint resolution read.

The PRESIDING OFFICER. The Secretary will read the joint resolution.

The Secretary again read the joint resolution as amended.

Mr. CULBERSON. I have no objection to the consideration of the joint resolution.

The joint resolution was reported to the Senate as amended, and the amendments were concurred in.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A joint resolution to reimburse the officers and employees of the Senate and the House of Representatives for mileage and expenses incident to the first session of the Sixty-second Congress."

THE COTTON SCHEDULE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12812) to reduce the duties on manufactures of cotton.

Mr. CUMMINS. Mr. President, I have offered as an amendment to the pending bill, ordinarily known as the cotton bill, an amendment——

Mr. OVERMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from North Carolina?

Mr. CUMMINS. I yield to the Senator.

Mr. OVERMAN. Is the cotton bill before the Senate?

The PRESIDING OFFICER. It is the unfinished business of the Senate.

Mr. OVERMAN. I suggest that we ought to have a quorum present if the Senator from Iowa is going to address the Senate upon the bill.

The PRESIDING OFFICER. Does the Senator from North Carolina suggest the absence of a quorum?

Mr. OVERMAN. I do.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bailey	Culberson	Martine, N. J.	Shively
Bourne	Cummins	Myers	Simmons
Bradley	Curtis	Nelson	Smith, Mich.
Brandegee	Dixon	Nixon	Smith, S. C.
Briggs	Fletcher	O'Gorman	Smoot
Brown	Heyburn	Oliver	Stephenson
Burnham	Johnson, Me.	Overman	Taylor
Chamberlain	Johnston, Ala.	Page	Warren
Chilton	Jones	Penrose	Watson
Clapp	Kern	Perkins	Wetmore
Clark, Wyo.	La Follette	Poindexter	
Clarke, Ark.	Lea	Reed	
Crawford	Lippitt	Root	

The PRESIDING OFFICER. Forty-nine Senators having answered to their names, a quorum of the Senate is present. The Senator from Iowa [Mr. CUMMINS] is entitled to the floor.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Florida?

Mr. CUMMINS. I do.

Mr. FLETCHER. Mr. President, if the Senator will allow me just a moment's interruption, I desire to have the Secretary read, and to have printed in the RECORD, a short editorial from the Jacksonville (Fla.) Times-Union of August 8, not as a part of his speech, but preceding it.

Mr. CUMMINS. I shall gladly yield to the Senator from Florida, but, of course, I do not want the editorial printed as a part of my remarks.

The PRESIDING OFFICER. The Senator from Florida suggests that it be printed in advance of the Senator's remarks so as not to be a part thereof.

Mr. CUMMINS. I could not hear the Senator from Florida, but I am very glad he made that suggestion.

Mr. FLETCHER. That is the suggestion I made. It is pertinent to the question under consideration.

The PRESIDING OFFICER. Is there objection to the reading of the paper indicated? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

[Florida Times-Union, Aug. 8, 1911.]

PURPOSE AND PERVERSION OF THE TARIFF.

To state the plain truth about the tariff is to condemn Republican policies for a generation as both unjust and unwise. In its use of popular prejudice in one section to tax unfairly another it has levied a war tribute on the vanquished in a Civil War to which the indemnity imposed by Germany on France is a bagatelle, and yet its defenders are amazed to find the injured refusing to accept this conduct as worthy of commendation and to join in applauding a system of robbery under the forms of law without a parallel in history.

Against the whole theory and practice of our protective policy the Democratic Party has protested since its inception, but nothing like the condensation of this whole chapter of history as done by Democrats equals the following from the Springfield Republican:

"The protective-tariff system was adopted in the single purpose and has been maintained in no other legitimate purpose than to promote manufacturing in a country that was chiefly given to agriculture. This system in these later days has been allowed to run into excessive protection for manufactures; and to maintain itself in these abuses it has been averted into the vain purpose of trying to protect all industry, which can only be done at the expense of all industry, which is as hopeless as for a person to try a lifting of himself by his own boot straps.

Our Massachusetts contemporary is entirely correct in this statement of the purpose and perversion of this cardinal doctrine of Republicanism—a doctrine that has been proclaimed as the perfection of statesmanship or accepted as such by all the leaders of the party now so sorely stricken by the judgment of an aroused and awakened people. What can be expected of a party which has evolved and maintained such an ideal of statesmanship for so many years? What of the men who have been accepted as the "friends of the people and the champions of the oppressed," while practicing the doctrine that we might be lifted by our boot straps?

Mr. SMITH of Michigan. Mr. President, I do not know the author of that statement.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Michigan?

Mr. CUMMINS. I will not yield for any debate upon the editorial article which has been read. I am in no wise responsible for it; it does not express my sentiments at all; and I desire to proceed with the argument of the issue before the Senate.

Mr. SMITH of Michigan. Mr. President, I do not desire in any way to interfere with the plan the Senator from Iowa has in mind. I was simply going to call the attention of the Senator from Florida, who sent the article to the Secretary's desk to be read, to a letter from Mr. L. P. Groves, treasurer of the Flint Manufacturing Co., of Gastonia, N. C., to the Senator from North Carolina [Mr. OVERMAN], under date of August 8, 1911, in which he said that they would not have had a single cotton mill in the South, whereas the cotton mills there now employ thousands and thousands of men and represent millions of investment,

had it not been for the protective tariff, which he begged the Senators from North Carolina to defend and maintain in the interest of the people of his State in the following language, which I quote from his letter to my distinguished friend from North Carolina:

Without trying to discuss the right or wrong of a protective tariff, what confronts the manufacturer of North Carolina to-day is that we have built a number of mills for making fine yarns and cloth, and these mills have paid a high rate of duty on their machinery, which mills would not have been built, nor could they have been operated at all, without a protective tariff on their product.

Now, since millions of dollars have been invested in these enterprises under a high protective tariff, will it not be a great wrong to at one stroke of the pen blot them out of existence by cutting the duty in half and allowing other countries who are old and experienced in the business and who hire their labor for half what we have to pay and with no duty on machinery to come in and take this business away from us?

Mr. CUMMINS. Mr. President, I observe that the Senator from Michigan pays strict regard to my desires in the matter.

COTTON-CROP STATISTICS.

Mr. SMITH of South Carolina. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from South Carolina?

Mr. CUMMINS. I yield.

Mr. SMITH of South Carolina. I desire to call up Senate resolution 135 that went over on Saturday under objection from the Senator from Ohio [Mr. BURTON], who has withdrawn the objection. If the matter provokes any debate, I will not press it, but I merely want the resolution read and passed.

Mr. CUMMINS. I shall be very glad to yield to the Senator from South Carolina for that purpose, if his resolution creates no debate. If it does, then I must proceed.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Utah?

Mr. CUMMINS. I do.

Mr. SMOOT. I think the resolution will lead to debate. I simply make that statement so that the Senator from Iowa may know that it will take some time to dispose of the resolution.

Mr. CUMMINS. Under those circumstances, I am sure the Senator from South Carolina will not insist upon having the resolution considered at this time.

Mr. SMITH of South Carolina. That is all right. I withdraw the request.

THE COTTON SCHEDULE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12812) to reduce the duties on manufactures of cotton.

Mr. CUMMINS. Mr. President, the amendment which I have proposed to the cotton bill, which is now before the Senate, revises and reduces all the duties of Schedule C of the tariff law, generally known as the metal schedule. I divide the schedule into two parts for the purpose of revision: First, those commodities which are generally known in commerce and in manufacture as tonnage iron and steel. Upon such commodities my amendment proposes to reduce the duties 40 per cent, save and except in the paragraph which provides for structural iron and steel, and that paragraph my amendment rewrites entirely and brings it into harmony with the general revision which I propose.

With respect to those paragraphs which embrace the higher forms of manufacture of iron and steel, and embrace other metals than iron and steel, my amendment proposes to reduce the existing duties 30 per cent.

I want to say now, so that Senators may understand the situation, that I will compress what I have to say upon this subject to the narrowest possible limit, and I will hope that a vote be taken, if no others desire to discuss the amendment, before the adjournment of the present session. I think it is only fair to suggest that, because at former times I have debated this schedule at such length that Senators might well presume that a conclusion would not be reached this afternoon.

One more foreword. This revision which I have proposed to the metal schedule is not ill advised; it is not unstudied; it is substantially the revision which I proposed to the metal schedule two years ago. These amendments created much debate and much consideration. So I think the Members of the Senate are fully informed and well advised with respect to the general characteristics of this schedule.

The amendment which I have proposed is the result of the most mature and reflective investigation on my part. I think that two years ago it embodied the opinions of a great many Members of the Senate, and since that time conditions have not changed to the disadvantage of a proposal for the reduction of duties on metal products.

However, before I take up the technical subject I desire to say a word or two with regard to the general topic of tariff revision at this time. It is complained—and I have seen the complaint printed everywhere—that we ought not to undertake at this session the revision of any of the prominent schedules of the tariff, but ought to wait until we hear the conclusions of the board of tariff experts in the employ of the President of the United States. I have been somewhat impressed with the unanimity of this demand on the part of the newspapers of the country. Newspapers that were vociferous in the demand that Congress should proceed immediately and without any debate whatsoever to the revision of the agricultural schedule and the revision of the paper schedule are now insisting that we shall not reduce the duties in any other schedule until we hear what the board of tariff experts has to say upon the matter.

I desire to meet that issue fairly and squarely. I desire to suggest the reasons which actuate me in insisting under the present conditions upon the reduction of other duties than those upon agricultural products. I am a profound believer in the revision of the tariff schedule by schedule as a wise policy. I am insistent, too, upon the intervention of a tariff commission in order to aid Congress in this difficult undertaking. But the answer to this insistence that we must wait is, first, that we have no Tariff Board, and it is not likely in the near future we will have a Tariff Board, in view of the political change that has been witnessed at the other end of the Capitol and that some pessimistic Republicans predict will be duplicated shortly at this end of the Capitol. We have no board clothed with adequate power. We have no board that is to be or can be the instrumentality of Congress to investigate these difficult topics and to acquire this very valuable and material information.

Now, I do not want Senators or the public to understand that in so saying I am disparaging the individuals who compose what is ordinarily known as the Board of Tariff Experts. So far as I know they are men of high character and of great attainments, but they are not the agents of Congress, they are simply persons employed by the President of the United States to work as he directs and when he directs. We have not entered upon the systematic plan which I hope eventually will be adopted, that will make a board of tariff commissioners the right hand of Congress to better enable it to deal with the subject of the tariff.

The second answer to the objection with regard to going on with the revision of certain schedules of the tariff is this: We have revised one of the prominent schedules of the tariff law. We have revised a schedule which relates to property in the United States of the value of more than $25,000,000,000. We have revised a schedule which embraces an annual product of more than $9,000,000,000. We have revised a schedule which is vital to the prosperity and the happiness of more than 30,000,000 of people in our country. Whether we have revised it wisely or unwisely I do not intend at this moment to discuss. My views upon that subject are known. It is sufficient to remember that it is done, and that, so far as Congress and the President can accomplish the purpose, the products of the farm, exceeding $9,000,000,000 annually in value, have been put upon the free list.

They were put upon the free list without any examination by a Tariff Board, even without any conclusion deduced by a board of experts. The President and the Secretary of State concluded an agreement with the Dominion of Canada before his own board had ever expressed an opinion or reached a single conclusion with respect to the cost of producing agricultural commodities in this country as compared with Canada. I only venture to remind Senators, therefore, that when they put these products upon the free list—whether they should have been put there or not it is not material now to inquire; we have accomplished it so far as our power is concerned—it made it absolutely impossible to await the slow and uncertain work of a board of experts employed by the President with respect to duties upon other commodities which the farmer in the commerce of the country must buy.

The action of those who insisted upon this revision of the agricultural schedule rendered it impossible to pursue the program that many of us believed ought to have been pursued; and, for my part, as much as I value the work of an independent commission, clothed with full and ample power, I will not wait for the creation of such a commission and then wait for the work of such a commission before I attempt at least to give the farmer a freer market in which to buy, inasmuch as we have put him in a free market in which to sell.

Let it not be thought that in so declaring I have any intention of standing for any reduction as a matter of reprisal, notwithstanding what we have done respecting the agricultural

products of the country. I am not willing, because we may have done wrong in that respect, to repeat the wrong with regard to duties on manufactured products. But there are certain manufactured products covered by duties which everybody knows are too high. Those of us who ask for a reduction do not intend to reach the danger point, but we do intend to remove from our tariff laws some of the obvious, indefensible excesses which up to this session of Congress have found no defenders, as I recall.

There is another thing which I must be permitted to say, and it grieves me to say it, because it launches me somewhat into a political campaign. I feel, however, that the perversions and misrepresentations which go out from Washington day after day with regard to the situation here, the attitude of Senators upon these important subjects, require a brief notice at my hands.

Whatever may have been our hope a year ago respecting the method of dealing with tariff adjustments or readjustments in the near future, the Canadian arrangement has for the time being given the whole subject a new aspect. We must now determine—and I want Senators to gather the meaning of what I am about to say, and I especially want the country to understand what I am about to say—we must now determine, and determine at the first opportunity, whether the Canadian act represents a Republican policy.

We all understand that reciprocity in its true sense is a Republican policy. But the question which the Republicans of this country must certainly answer is this: Does the Canadian act embody the doctrine, or is it a flagrant, violent departure from the Republican faith? The manner of its passage through Congress does not establish its Republican character, for although it was proposed by a Republican President, it met the opposition of a majority of the Republicans in both the House and the Senate. In this clash of opinion there must be a referendum, and as the Republicans select their delegates to the next Republican national convention they must and they will answer the question: Is the Republican Party in favor of protection for the manufacturer and free trade for the farmer?

Canada has very wisely submitted the proposition to her voters before action. We, however, have acted first, and there is no power on earth that can prevent the policy of the arrangement which we have adopted being submitted to the Republican voters in the United States.

Is the Republican Party in favor of protection for the manufacturer and free trade for the farmer? Everybody knows my views generally with regard to the tariff. I do not believe in the high and prohibitive tariff for which some of my Republican associates in this Chamber stand. I believe in a tariff measured by the announcement of our party in 1908, but I recognize and every one else must recognize that protection must be a policy, and if it is applied to one commodity in the United States it must be applied to every other one which demands it under the conditions of its existence. In other words, if protection is to be applied to every competitive product that costs more to produce in the United States than it costs in foreign countries, then, if that commodity happens to be a product of the farm, it is just as much entitled to the benefit of protection as are the products of the manufactories, and the Republican Party can not escape a declaration upon the application of the policy.

Is the Republican Party in favor of protection for the manufacturer and free trade for the farmer, or is it in favor of protection for all alike according to the difference in the cost of production at home and abroad?

Mr. SMITH of Michigan. Mr. President——

The PRESIDING OFFICER (Mr. BRANDEGEE in the chair). Does the Senator from Iowa yield to the Senator from Michigan?

Mr. CUMMINS. In just a moment. This is the issue, and it can not be avoided, and no true, loyal, honest Republican will try to avoid it in the struggles of the next half year.

I now yield to the Senator from Michigan.

Mr. SMITH of Michigan. Will the Senator from Iowa permit me to ask whether or not he had anything to do with formulating the last declaration of the Republican Party upon the question of protection as embodied in the Chicago platform?

Mr. CUMMINS. No, Mr. President. I was not a member of the committee on resolutions, and in that sense had nothing whatever to do with it. I would be immodest if I were to insist that, indirectly, I had anything to do with that platform, and therefore I would rather leave it without any further suggestion.

Mr. SMITH of Michigan. Mr. President——

Mr. OVERMAN. May I ask the Senator——

The PRESIDING OFFICER. Does the Senator from Iowa yield, and to whom?

Mr. CUMMINS. I will yield for just a moment to the Senator from Michigan, as he wants to ask me another question.

Mr. SMITH of Michigan. There seems to be considerable unwritten history in connection with that declaration. I did not ask the question for the purpose of embarrassing the Senator from Iowa, but for the purpose of finding, if possible, the source from which that declaration came and with which I am completely out of accord.

Mr. CUMMINS. I understand that. The Senator from Michigan and I, while we agree upon the doctrine of protection, do not understand it in the same way. I am for a protection that protects; he is for a protection that prohibits. That is the difference between his view of the economic policy and mine.

Mr. SMITH of Michigan. I am for a protection that prohibits the destruction of American industries.

Mr. CUMMINS. I am in agreement upon many things with the Senator from Michigan, and I hope he will not obtrude the differences which do exist between us while I am making an argument in which in a general way I think he must concur.

I now yield to the Senator from North Carolina.

Mr. OVERMAN. I intended to ask the Senator from Iowa if I understood him correctly—that he is not in accord with the Republican platform as promulgated at the last national convention upon the subject of the tariff.

Mr. CUMMINS. The Senator from Michigan said he is not. I am very much in accord with it. I fought for such a declaration for nearly eight years before it was announced.

Mr. OVERMAN. The difference in the cost of production abroad and here and also a reasonable profit in addition to the manufacture.

Mr. CUMMINS. Yes, sir. Many times in this Chamber during the discussion of two years ago I considered the wording which the Senator from North Carolina has just repeated. It is entirely consistent with my view of protection, and I shall do what little I can, as I go on in my declining years, to make it the doctrine not only of the Republican Party but of the whole people of the United States. My observation in the last few days in the Senate has convinced me that the Senator from North Carolina is rapidly coming to the Republican doctrine of protection.

Mr. OVERMAN. Not at all. I deny it. The Senator from Iowa is in favor of a reasonable profit for the manufacturer. I want to know how he is going to arrive at that profit? When he gets the facts from a Tariff Board and finds the difference between the cost of manufacture here and abroad, what profit will he allow the manufacturer and how will he arrive at the profit?

Mr. BORAH. Mr. President——

Mr. CUMMINS. In just a moment.

Mr. President, I have, as I said a moment ago, exploited my views upon that particular subject I think a half a dozen times in this Chamber, and while I should very much like to gratify the Senator from North Carolina by repeating them, I want to hasten on with the discussion of the amendment which I have proposed to this bill.

Mr. OVERMAN. Is the Senator in favor now of revising the tariff?

Mr. CUMMINS. Inasmuch as I am doing my very best to revise it, I am sure the Senator from North Carolina ought to be in no doubt about it.

Mr. OVERMAN. Does the Senator object to my having read from the desk an extract from a speech which he made in answer to Mr. JOSEPH G. CANNON, ex-Speaker of the House, on this subject?

Mr. CUMMINS. I have no objection.

Mr. OVERMAN. I will send to the Clerk's desk and ask him to read what the Senator said. Of course, the Senator has the right to change his opinion.

Mr. CUMMINS. I have not changed my opinion, however.

Mr. DIXON. Mr. President, I do not think it is fair in the middle of the Senator's argument to have a newspaper article read. I think I will object to it at this time. Wait until the Senator has finished his argument.

Mr. OVERMAN. I ask permission.

The PRESIDING OFFICER. Objection is made. The Senator from Montana [Mr. DIXON] objects.

Mr. CUMMINS. I understand perfectly that the Senator from North Carolina wants to embarrass me. I understand his purpose and his motive, and I have no objection whatever to it.

Mr. OVERMAN. Oh, no.

Mr. CUMMINS. I understand he wants to save the cotton schedule, and he will do everything he can to save it, and if he can prolong the discussion and embarrass me——

Mr. OVERMAN. No.

Mr. CUMMINS. That is a part, a fair part, of the game of war.

Mr. OVERMAN. I think the Senator misinterprets what I intend. The Senator, as I understand his speeches made in public, made upon the floor of the Senate just at the close of the last session, was not in favor of revising the tariff until he should receive a report from the Tariff Board.

Mr. CUMMINS. That shows how unfair it is for the Senator to come in here suddenly and, without having heard my discussion up to this time, suggest a thing of that sort. I have spent 15 or 20 minutes in my argument showing why those who favored the revision of the tariff upon a report of a Tariff Board ought not now to wait until we create a tariff board and receive the conclusion of its labor.

Mr. OVERMAN. The Senator knows why I was absent. I am sorry I was not here to hear his remarks. I do not want to be unfair to the Senator, I assure him.

Mr. CUMMINS. I commend the Senator, however, to the CONGRESSIONAL RECORD to-morrow morning.

Mr. OVERMAN. I know what the Senator has said on different occasions, and I did not know whether he——

Mr. CUMMINS. I gave a very full account of what has happened since the declaration for revising the tariff by a Tariff Board was made, and the Senator from North Carolina has helped to destroy the possibility of so doing——

Mr. OVERMAN. Oh, Mr. President, how, and in what manner?

Mr. CUMMINS. By voting for the bill which puts all of the agricultural products of the United States upon the free list without the intervention of any tariff board or tariff commission.

Mr. OVERMAN. I understood from the message read by the Senator when governor to the legislature of his own State that he was in favor of reciprocity, and that he said that the farmers would not complain.

Mr. CUMMINS. Does the Senator from North Carolina believe that is a fair comment? I have never suggested any such sham and pretense as is the bill passed by the Congress of the United States and labeled "reciprocity." There is no reciprocity in it. It does not comply with or comport with any conception that the people of this country of any party ever had of reciprocity. I am sure that the Senator from North Carolina will not hold that because many of us were in favor of reciprocity, certain reciprocity, therefore we ought to have supported this particular arrangement.

Mr. OVERMAN. I was only speaking of what the Senator said in reference to barley and wheat——

Mr. CUMMINS. Every word of which was true, and I have never said a word that is inconsistent with what I said in 1904. It was as true as Holy Writ, and it is the Senator from North Carolina who is now endeavoring to draw an unfair inference from an extract from a long address.

Mr. OVERMAN. I did not offer it. The Senator from Mississippi offered it and read it into the RECORD.

Mr. CUMMINS. Precisely. I was very glad that the Senator from Mississippi did read it. But the Senator from North Carolina handed it to the Senator from Mississippi.

Mr. OVERMAN. I did.

Mr. CUMMINS. Precisely.

Mr. OVERMAN. And I spoke to the Senator from Iowa about it before I did hand it to the Senator from Mississippi.

Mr. CUMMINS. I am very glad the Senator did it.

Mr. OVERMAN. He was informed about it.

Mr. CUMMINS. I am glad that he did it.

Mr. OVERMAN. Was that taking any unfair advantage, when I spoke to the Senator about it; told him I had it, and he came and read it? Was that taking an unfair advantage?

Mr. CUMMINS. The Senator from North Carolina is not listening to what I am saying. There was no unfair advantage in it. The unfairness is in the inference which the Senator from North Carolina now attempts to draw from it. He is perfectly at liberty——

Mr. OVERMAN. The language speaks for itself. I might draw my inference and some other Senator might draw a different inference.

Mr. CUMMINS. I have a perfect right to characterize it as an "unfair inference" as well.

Mr. LIPPITT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Rhode Island?

Mr. CUMMINS. I do.

Mr. LIPPITT. I desire to ask the Senator from Iowa, who seems to be laying a good deal of emphasis upon the passage of the reciprocity bill, if he would not still have advocated this reduction if that bill had not been under consideration?

Mr. CUMMINS. I would not at this time. I had hoped—and I speak with the utmost candor upon it--I had hoped and I stated many times that when we closed the revision of 1909 we might organize a Tariff Board and that it might proceed with its work as rapidly as possible, with full power of investigation and inquiry, and that then we might take up its reports as they came in from time to time and revise such schedules of the tariff as came within the scope of its investigation.

But contrary to that plan of the Republican Party and that policy of the Republican Party the revision of the agricultural schedule was precipitated upon Congress, and it was revised so as to put the farmers of this country into free competition with their only rivals, or their chief rivals. Then it seemed to me, and it seems to me yet, that it became the high duty of Congress to reduce within the limits of safety the duties upon some of the things that the farmer must buy without waiting the slow process of a Tariff Board yet to be created.

Returning, however, to my subject, I assume that the great fight of the coming year will be over the platform. Of course it does not concern my Democratic friends, because they will not be engaged in that fight. The chief fight in our coming convention will not be over the nomination of a candidate for President, it will be over the platform, which will declare in clear and specific terms what the Republican doctrine is respecting protection.

I am not gifted with an imagination either varied or brilliant, but I can see in my mind's eye that mighty assemblage representing all the Republicans of the United States considering a proposed platform declaring for free trade in agricultural products which come from the only great field of industry in which there is still full and effective competition, and for protection in manufactured products which come from a field choked and smothered with combination and monopoly. How long do you think such a proposition will endure in a forum where thought is free and where votes express conviction?

I can see also the learned Senator from Massachusetts [Mr. LODGE], the cultured and capable Senator from New York [Mr. ROOT], the distinguished Senator from Pennsylvania [Mr. PENROSE], all ardent advocates of the Canadian act, as members of the committee on resolutions from their respective States, laboring with their accustomed skill to write into the platform in words so plain that every voter will understand them the war cry of the ensuing campaign, "Free trade for the farmer; protection for the manufacturer. The farmer is strong and can stand alone; the manufacturer is weak, and his tottering steps need help. Free trade for Minnesota, Dakota, and Idaho, protection for Massachusetts, New York, and Pennsylvania."

With all their facility of expression they can not make such a proposition either harmonize with Republican principles or agreeable to Republican voters. The convention, I predict, will not announce a doctrine so absurd and so unjust; but if it should do so, the party it represents will be hopelessly defeated in the following election.

I could not refrain from saying so much respecting the general aspects of a revision of the tariff. I now approach and will confine myself rigidly to the duties which I have proposed for the metal schedule.

With the exception of the structural iron and steel paragraph the duties upon the various items are fairly related to each other, and my proposal is to rewrite the paragraph I have named and reduce the duties upon some of the paragraphs—those relating to tonnage iron and steel, 40 per cent; and, upon the remainder, those which relate to the finer and more intricate forms of manufacture and to other metals, 30 per cent.

I will not occupy your time in going over all the items of this schedule. I want to remind Senators who are here, however, of the duties upon some of the particular items of the schedule so far as tonnage iron and steel are concerned.

The duty on pig iron is $2.50 a ton; upon bar iron it is $6 a ton; upon steel rods and iron rods, $12 per ton; upon structural iron not assembled, not fitted, not ready for use, from $6 to $8 a ton; and upon other forms, $15 to $18 per ton; upon boiler plate and other plate, $6 a ton and upward; upon hoop, band, and scroll iron, $6 and upward; upon steel rails, $3.50 a ton. You will understand that I am using here 2,000 pounds for a ton. That is true in the tariff act, although not true always in commerce.

The duty on iron and steel sheets is $10 a ton and upward; on steel ingots and the like, $3.50 and upward; wire fence rods, $6 and upward; drawn wire, $25 per ton and upward; cut nails,

$8 per ton; wrought nails, $30 per ton; wire nails, $8 and $15 per ton, depending upon their size; barbed wire, $15 per ton.

I have proposed to reduce these duties 40 per cent, and I intend to prove, not experimentally, not abstractly, but I intend to prove certainly and mathematically, that the reduction which I have proposed is well within the limits of the protective principle; and if I do not prove this, then I shall not ask any Senator here to vote for these amendments simply because they constitute reductions in the tariff.

Fortunately, with respect to this subject, I am in a position to prove what I say, to prove it by evidence that would be conclusive in any court of justice, to prove it by evidence that is admissible in the trial of a case, to prove it by evidence far superior to the conclusions of any Tariff Board or any other investigating tribunal.

I will assume as a basis—and you will all agree with me the moment you go over the subject at all that I am assuming a basis—strongly against myself and the conclusions that I desire to reach and will reach. I assume that the average duty on what is ordinarily known as tonnage iron and steel is $11 per ton. It is as nearly that as I can discover. I agree that it is not easy to reduce the subject to an average, but I am so far within the limit that I might fairly reach, that I propound with a great deal of confidence my basis that the average duty on tonnage iron and steel is about $11 per ton.

My amendment reduces that $4.40, leaving an average duty of $6.60 per ton. You can at once see how that will affect the various and principal items. It will reduce pig iron just $1 per ton. It will reduce bar iron $2.40 per ton.

Mr. BRISTOW. If the Senator has it convenient, will he state the present rate and what the reduced rate would be?

Mr. CUMMINS. I am just giving it now.

Mr. BRISTOW. I thought the Senator stated the reduction and not the amount. I understood the Senator to state that it would reduce the duty on pig iron $1 a ton. From what figure and to what figure?

Mr. CUMMINS. From $2.50 to $1.50.

Mr. BRISTOW. That is what I desired to know.

Mr. CUMMINS. Bar iron would be reduced from $6 a ton to $3.60 per ton; rods, from $12 a ton to $7.20 per ton; beams, from $6 and $8 and $15, as is the case with assembled structural iron and steel, accordingly. I will ask leave to print, without reading, the table I have in my hand, which shows the duties upon these articles and the results of a reduction of 40 per cent.

The PRESIDING OFFICER. Without objection, permission is granted.

The table referred to is as follows:

Tonnage steel.

118.	Pig iron	per ton	$2.50
119.	Bar iron	do	6.00
120.	Rods	do	12.00
121.	Beams, etc., not fitted or assembled	do	[1] 6.00
122.	Boiler plate and other plate	do	[2] 6.00
124.	Hoop, band, and scroll	do	[2] 6.00
126.	Steel rails	do	3.50
127.	Sheets	do	[2] 10.00
131.	Ingots, etc	do	[2] 3.50
134.	Fence wire, rods, and nail rods	do	[2] 6.00
135.	Wire	do	[2] 25.00
135.	Barbed wire	do	15.00
159.	Cut nails	do	8.00
160.	Wrought nails	do	30.00
161.	Wire nails	do	[3] 8.00

Mr. BACON. Mr. President, I should like, with the permission of the Senator, to make an inquiry of him.

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Georgia?

Mr. CUMMINS. Gladly.

Mr. BACON. Do I understand that the Senator makes a reduction on all the various grades and articles of iron in equal proportion?

Mr. CUMMINS. On all tonnage iron—what is ordinarily known as tonnage iron and steel.

Mr. BACON. The object of my inquiry is this: The Senator will remember that in 1909, when we had the tariff bill under discussion, there was a very marked increase made in assembled structural iron, and the Senator will recall the debate which accompanied that action. He took part in it himself.

Mr. CUMMINS. I offered the amendment.

Mr. BACON. The Senator did not offer the amendment which was accepted.

Mr. CUMMINS. No.

Mr. BACON. I am speaking about what was done.

Mr. CUMMINS. Oh, yes; I remember it well.

Mr. BACON. The Senator will remember the fact that the then Senator from Rhode Island gave as an illustration of the importance of the excessive raise in that particular class of iron, structural iron, that a certain building had been erected in New York where the iron had been cut the necessary lengths and assembled and the building erected entirely out of imported material. Am I correct in that?

Mr. CUMMINS. The Senator is correct.

Mr. BACON. The question I wanted to ask the Senator is on this line. The Senator will doubtless recall that the duty upon assembled structural iron, if I may so term it—that is, iron cut to certain lengths with a view to being used in a certain structure—was very largely increased over structural iron not thus cut and assembled, and the avowed purpose of it was to prevent iron of that kind from being brought into the country. In other words, a prohibitive duty was not only undisguisedly, but avowedly, put upon that class of iron.

I want to ask the Senator if, in view of that fact, he thinks that a ratable reduction upon that class of iron is sufficient, and if there should not be ratably a very much greater reduction in the tariff duty on that class of iron than in the tariff duty upon other structural iron not thus cut to lengths and assembled?

Mr. CUMMINS. I am very glad the Senator from Georgia has suggested that, because it enables me to make an explanation that I think is due to the Senate.

The revision of 1909 not only did not reduce the duty upon such structural iron and steel as has been described by the Senator from Georgia, but it immensely increased the duty. It increased the duty so that it became from $15 to $18 and $20 per ton, depending upon the price or value of such iron and steel abroad. In other words, instead of leaving it with the duties prescribed in the Dingley law, that kind of structural iron and steel was taken out of the paragraph and put into the basket clause, upon which there was a duty of 45 per cent ad valorem.

Now, I have rewritten that paragraph of the iron and steel schedule. As I said in the beginning, I believe the paragraphs of the metal schedule are fairly well related to each other except the structural iron and steel paragraph, and I have repealed that by my amendment entirely, and rewritten it so that all structural iron and steel bears a duty of one-quarter of a cent per pound; that is, $5 per ton.

Mr. BACON. In other words, the Senator has eliminated the different rates of tariff duty upon the different classes of structural iron.

Mr. CUMMINS. I have, and then reduced the duty below that of 1909.

If it be further assumed, Mr. President—and I do not assert this with positiveness, it is a matter of argument and observation—if it be assumed that the price will be reduced by that amount, that is, by the reduction in duty, what will occur?

Now, I understand perfectly that it may be that foreign competition will even under those reductions not compel American manufacturers to reduce their prices to the point of this reduction, but I intend to carry on my argument upon the hypothesis that when these duties are reduced $4.40 per ton the result of the reduction will be that the manufacturers of iron and steel will be compelled to reduce their prices $4.40 per ton; and if I can defend these reductions upon that hypothesis it seems to me I have made a complete and perfect case.

If the prices of tonnage iron and steel should be reduced $4.40 per ton, it would save the consumers of the United States substantially $100,000,000 annually upon tonnage iron and steel. The manufacturers of tonnage iron and steel create and put upon the market each year something like 23,000,000 tons of this product; and if we were to decrease the average price $4.40, our consumers, our buyers, would receive a benefit of $100,000,000 per year. But they ought not to be compelled to sell at $4.40 per ton cheaper than they now sell unless they can pay the wages which are now prevalent in the United States and still make a fair profit upon the capital which they have invested in the business, and it is to that inquiry that I now turn the attention of the Senate.

The first question is whether the domestic manufacturers will still be well protected if they are compelled to reduce prices as suggested in order to prevent further importations; that is, to shut out foreign competitors. I am about to prove, if I am successful in my effort, that the American manufacturers can reduce their prices on an average $4.40 per ton and make large profits upon their capital, pay the American scale of wages to their employees, and prevent the importation of a single pound of these commodities.

This question can be answered with much certainty, for the reason that the greatest corporation in the world is engaged in this business and publishes every year what I shall assume is an accurate account of its operations. If there be any in-

[1] And $8. [2] And upward. [3] And $15.

accuracies in its reports, they are not mistakes against its own interest. I intend to accept the report of the United States Steel Corporation for the year 1910 in order to answer my question whether that company can endure or suffer a reduction on the average of $4.40 upon the price of its products and still be prosperous, still pay capital a full reward, and still award to labor its full measure of compensation.

I have before me the report of the United States Steel Corporation for the year ending December 31, 1910. I intend to pause at this point long enough to explode a firm and prevailing notion that mere publicity is a cure for the evils of industrial combination. We have become so accustomed to great things in this country that nothing seems to challenge our attention.

Here is a report put out every year by this corporation and, I think, truly compiled, which shows in and of itself the wrongs of a combination of capital such as this is. This report is but a repetition of the report that has been put before the American people for now 10 years, so that every inquiring mind can know and does know precisely what the operations of this great company are and just what the results of its operations are. Yet we have not taken a single step toward the correction of the mistakes which we have made in former times with regard to such combinations. But I pass that. I could not refrain from impressing upon the Senate that it is not true that publicity is enough to remedy the evils which the American people believe reside in corporations of the magnitude of this one.

If any Senator is familiar with the subject and believes that I do not state precisely what this report shows, I hope he will rise now and correct me. In 1910 the United States Steel Corporation manufactured and sold 10,720,751 tons of manufactured products.

Now mark you, I am not including in that the transactions between the subsidiary companies. I am not including ore that is mined by one company and sold to another, coke that is manufactured by one company and sold to another, or pig iron which is made by one company and sold to another, all belonging to the same system or the same corporation. I am including in this statement just the finished product sold by all the companies subsidiary to the United States Steel Corporation and the United States Steel Corporation itself; and this is the way in which the corporation states it in its own report.

Now, follow me. If it had sold the 10,000,000 tons and more at an average of $4.40 per ton less than it did sell for, it would have received $47,202,104 less than it did receive.

We pass then to the next question. What would have been the fate of the United States Steel Corporation if in 1910 it had received $47,000,000, in round numbers, less than it did receive for the product which it manufactured and sold?

I enter that inquiry. I am now speaking of its net earnings. After having deducted all the cost of operation, all the cost of maintenance, and all the cost of sustaining its various benevolent organizations looking toward the pensioning of its employees, after deducting every penny which the company paid out, including the payment of interest upon the bonds of its subsidiary companies, its net earnings for the year 1910 were $141,054,754.51, as will be shown by the report itself on page 5.

Now, in order to secure its real net earnings I add the amount which was deducted for interest upon the part of its capital, for I want to arrive finally at an amount which will show its net earnings without having made any allowance whatsoever for profit upon capital. Computing the interest upon the subsidiary bonds at 5 per cent—and the rate of interest is not stated in this report, and therefore it is an estimate—it paid during the year for interest $7,201,818.33, making a total of net earnings, without any allowance for capital, of $148,256,572.84.

Two years ago when I was presenting the history of the United States Steel Corporation my distinguished friend from New Jersey insisted that I did not make a proper allowance for depreciation. I do not want to enter into an argument as to what is a proper allowance for depreciation. I am going to take this year the exact sum which the company itself says ought to be deducted for depreciation and extraordinary replacement. It says in its report that there must be deducted the sum of $22,140,555.53 for depreciation and for extraordinary replacement.

I do not find it necessary to differ from the corporation in that respect. I do not believe that any such sum should be allowed, because I know, and every other man who knows anything about the affairs of the corporation knows, and any man who examines this report will be advised, that a large part of the $22,000,000 for depreciation and replacements is allowed for the installation of new property, for such replacements as constitute really an addition to the capital of the corporation, and ought not to be deducted as current or annual expenses. But I allow the full amount claimed by the company of $22,000,000 and more. The result is that the net earnings which this company had at the close of the year, and for which it had no other use except to pay the reward which is just upon the capital invested, were $126,116,017.31.

I now deduct the $47,000,000 and more which I have suggested would be the lessened revenue of the company if it had sold its product at an average of $4.40 per ton less than the price for which it did sell its product. The result is that if this company had so sold its product last year it would, after paying all the expenses of operation, of maintenance, and every other expense incident to its existence, and after having put aside $22,000,000 for depreciation and for replacement, it would have had in its treasury $78,913,913.31. This, Senators, is 6 per cent on $1,315,231,888. In other words, if the fair capitalization of the United States Steel Corporation had been $1,315,231,888, it could have paid 6 per cent upon it, even though it had sold its product for $4.40 per ton on the average less than it did sell it for.

We now know, however, that it has no legal or moral right, so far as the Government of the United States is concerned, to a reward upon $1,300,000,000; we now know that what I asserted two years ago, viz, that the value of the property, at the highest possible estimate, which passed into the United States Steel Corporation in 1901 was less than $700,000,000. It organized in 1901 with a capital—I mean of bonds and stocks—aggregating $1,400,000,000. The inquiry recently made—and the results are published in the report of the Bureau of Corporations—shows that the real value of the property was $700,000,000.

Mr. OVERMAN. May I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from North Carolina?

Mr. CUMMINS. Certainly.

Mr. OVERMAN. Does the Senator include in that statement the Tennessee Coal & Iron Co. property, which it acquired for $31,000,000?

Mr. CUMMINS. No; the $700,000,000 does not include the compensation or price of the Tennessee Coal & Iron Co., because, as the Senator from North Carolina will remember, that company was not absorbed by the Steel Corporation for several years after its incorporation.

Mr. OVERMAN. What I mean is, does the Senator, in his estimate, estimate the $700,000,000 to include the property of the Tennessee Coal & Iron Co., which the Steel Corporation acquired?

Mr. CUMMINS. No; not at all. The $700,000,000 includes only the properties which were combined in 1901, and which became, either directly or indirectly, the property of the United States Steel Corporation. Its property has now increased.

Mr. LIPPITT. I should merely like to ask whether the statement includes in the earnings those derived from the Tennessee Coal & Iron Co.?

Mr. CUMMINS. The Senators seem to me to be at cross purposes. I was speaking about the condition in 1901, when the Tennessee Coal & Iron Co. was not included within the property of the United States Steel Corporation. When I speak of its earnings in 1910, gathered from the report to which I refer, those earnings do include the earnings of the entire property, of course, with the Tennessee Coal & Iron Co. included as a part of them.

Mr. LIPPITT. Then, of course, in addition to the capital on which interest or dividends would be allowed, the Senator should also add the cost of the purchase of the Tennessee Coal & Iron Co.?

Mr. CUMMINS. No; I would not.

Mr. LIPPITT. Well, Mr. President——

Mr. CUMMINS. I will immediately answer why, if the Senator from Rhode Island will permit me.

Mr. OVERMAN. The United States Steel Corporation only paid $31,000,000 for the Tennessee Coal & Iron Co., as I understand.

Mr. CUMMINS. Mr. President, I will answer both Senators if they will allow me. This company was organized, as I stated, in 1901. Its property was then worth $700,000,000—not more. It began immediately to earn enormous profits, and the profits which it has earned and received and which it has not paid out in interest on bonds and dividends on stocks amount to something like $500,000,000. The company has added very largely to its property since 1901. I am not saying that the property of the United States Steel Corporation is not now worth more than $700,000,000. On the contrary, I believe it

is worth more than a billion dollars; but it has been paid for out of the excessive profits which the company has derived in these intervening years by selling its product at more than a fair price. It had a perfect legal right to do that if it was validly organized. I am not complaining of that, but I say that we, the people of the United States, the Congress of the United States, are under no obligation to protect interest or profits upon that capital, which has been accumulated by and through excessive profits demanded and received by the company from the American people. If this capital had come into the company independently, and if these operations had been carried on so that upon the independent capital there had only been a fair profit earned, the argument I am now making would not apply.

The United States Steel Corporation will pay for the Tennessee Coal & Iron Co., and more than pay for it, out of the profits of a half year. It has built a great city near Chicago, where it has invested sixty or seventy—I think I am understating it—million dollars, and during the whole time it has not received from extrinsic sources during the 9 years or 10 years of its existence more than $53,000,000.

Mr. LIPPITT. Mr. President, I am not in any way trying to criticize the Senator's figures; I am very much interested in them; but I am anxious that he shall state the problem completely. I have no doubt he is going to do it before he finishes, but in order to state the problem completely, it seems to me that he must show what dividends have been paid out, on what amount they have been paid out, and whether the amount is equivalent to a fair dividend payment on the whole $700,000,000 that he is discussing. If, instead of paying out the entire amount, they choose to keep in the form of reserve a certain amount of their earnings, and then pay those earnings out for additional property, it is, of course, not quite fair to take earnings on that money that has been so invested and apply it only to the $700,000,000 of the original valuation. I think the Senator sees that.

Mr. OVERMAN. Mr. President, I want to say that my understanding is that the United States Steel Corporation took advantage of the panic of 1907 and forced the sale of the Tennessee Coal & Iron Co., acquiring thereby over $200,000,000 worth of property for $31,000,000.

Mr. CUMMINS. Mr. President, I do not intend in this discussion to go into the merits of the acquisition of the Tennessee Coal & Iron Co., because it would unduly prolong my discussion upon the other question. I can not, however, agree with the Senator from Rhode Island [Mr. LIPPITT]. I hope he will not think I am unfair and I hope that he will catch my point of view. We are not trying to fix the profits which may be earned by the United States Steel Corporation or by any other corporation. I assume that the policy we have adopted up to this time will permit any individual or any corporation to earn all that he or it can upon the capital employed; but when we adopt a policy of protection, which is intended simply to equalize the conditions which exist here as compared with the conditions which exist abroad, then in so equalizing conditions it would be flagrantly wrong to levy a duty or a system of duties that would enable a manufacturer to earn more than a fair profit upon the actual value of the property which he employs in the business. When we are trying to ascertain the extent of the duties which we can in justice levy upon a particular business or a particular product, we ought not to take into account the capital that has been created by contributions for excessive profits. So far as the United States Steel Corporation is concerned, in determining what the duty ought to be, we must begin with 1901, and we find that that company has employed in its business property of the value of $700,000,000.

It has taken in no independent capital since that time, with the exception of about $50,000,000, and that has been vastly more than repaid by the sinking fund of the corporation. Therefore, when we find a duty on iron and steel that will enable this company to earn a fair and reasonable reward upon $700,000,000, we have found a duty that complies with and fulfills the standard of the Republican platform of 1908; and if the company is able to sell for vastly more than enough to pay a reasonable reward upon its capital, and, so selling, invests the proceeds in the enlargement of its properties, well and good; but it can not ask the Government to maintain duties that will enable this additional capital, wrested from a defenseless people, to pay dividends. It seems to me that such a policy ought not to be maintained by anybody.

I am not asking here that the Government shall say that the United States Steel Corporation shall not earn interest on more than $700,000,000. We may come to that some time in the administration of our affairs; we may come at some time to an inquiry into what ought to be done with these corporations, so large that competition no longer influences their affairs; but we have not yet reached it; and I am not attempting to reach it in the adjustment of tariff duties. I am only saying that, in levying tariff duties, I do not intend to stand for duties that will protect the United States Steel Corporation in a capitalization of more than $700,000,000. When we have done that, we have answered the full demands of the Republican platform, and we have exemplified the full policy of the Republican Party.

Mr. LIPPITT and Mr. OLIVER addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Iowa yield, and to whom?

Mr. CUMMINS. I first yield to the Senator from Rhode Island, and then I will yield to the Senator from Pennsylvania.

Mr. LIPPITT. I do not want to unduly interrupt the Senator. I understand that the product of the United States Steel Corporation is, by and large, perhaps 50 per cent of the total steel product of the country.

Mr. CUMMINS. Not quite 50 per cent.

Mr. LIPPITT. Something under 50 per cent; and that the remainder of the business is done by smaller corporations, some of them quite small. I should like to ask the Senator if he does not believe that the United States Steel Corporation can make its part of the total product at a less cost than the smaller manufacturers; and if the result of forcing the United States Steel Corporation to lower prices would not be to put the smaller manufacturers, to a considerable extent, entirely out of business?

Mr. CUMMINS. I do believe that the United States Steel Corporation can make its product for slightly less cost than any other company engaged in that business. I do not believe, however, that the reduction of the duties which I have proposed would put any company engaged in that business out of it, or would interfere with fair and lawful profits upon the part of any other company engaged in the business, as I shall show the Senator from Rhode Island before I have finished.

Mr. SMOOT. Mr. President——

Mr. CUMMINS. I yield now to the Senator from Pennsylvania, if the Senator from Utah will permit.

Mr. OLIVER. The inquiry I was about to make was in the same line as that made by the Senator from Rhode Island [Mr. LIPPITT].

Mr. CUMMINS. I will answer that in a moment.

Mr. SMOOT. Mr. President, I should like to ask the Senator if it is not a fact that under the present tariff rate structural steel made in foreign countries has taken the entire market of the Pacific coast? Is it not also a fact that under the present rate of duty there are certain limited areas on the Atlantic coast using foreign steel; and if $4.40 is taken from the present rate, will not the foreign product preempt a greater scope of country and utterly prevent any domestic structural steel being used on the Pacific coast, so that the market for American structural steel will be confined to the interior points?

Mr. CUMMINS. Mr. President, the Senator from Utah has combined a great many questions in a single sentence. He first assumes, which is not, of course, accurate, that the duty on structural iron and steel is reduced by my amendment $4.40 per ton. The present duty on structural iron and steel, not assembled, is $6 a ton upon certain classes and $8 upon certain other classes. Assembled structural iron and steel bears a duty of from $14 to $18 a ton, according to its value as imported. I believe that there will be some structural iron and steel imported into this country from abroad under the paragraph as I have rewritten it, not, however, upon the Atlantic seaboard, but those importations will be confined to a very narrow region on the Pacific seaboard.

It is utterly impossible, Mr. President, for us to prescribe a duty on iron and steel that under all circumstances will protect the Pacific coast if the Pacific coast desires to buy only the American product. The Senator knows that the mere matter of transportation from Pittsburgh or Johnstown or Birmingham to San Francisco renders the price of the domestic commodity there almost prohibitive; and there will at times be imported some of the heavier forms of iron and steel to the Pacific coast. I do not think that the Senator from Utah would venture to say to the people of this country that he wants a duty upon all iron and steel that will enable the American manufacturer to transport it for more than 3,000 miles by rail with all the attending expense of such transportation.

I suppose that during the last year there has been no assembled structural iron and steel sent even into San Francisco; in fact I have been informed there has not been. There has been some of the cruder forms of structural iron sent to San Francisco, but with the duty of $15 or $18 a ton upon it, you

have prevented the people of that portion of the country from buying this commodity at a fair price, and you have, as I am advised, absolutely excluded it from the shores of the United States anywhere. I do not think that we can pay that price for the policy of protection; and I hope that the Senator from Utah will not stand for that application of the doctrine, but if he does stand for it it will be condemned by an intelligent people, for there are distances and there are conditions which can not be covered by the doctrine of protection.

Mr. SMOOT. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from Utah?

Mr. CUMMINS. I do.

Mr. SMOOT. If structural steel had to be shipped over the country by rail, and the rail rate was an exceedingly high one, then the argument of the Senator from Iowa would be all right and favorable to the proposition of a reduced duty; but remember that most of our iron manufacturers are located upon the Atlantic coast or a short distance inland, and structural steel can be shipped by water, as all foreign structural steel is shipped.

If the water rates are the same from New York or the Atlantic coast to San Francisco as they are from Germany to San Francisco—and they should be no more—then it seems to me that it is a question of competition and of the price at which rails can be made in a foreign country as compared with the price of rails made in this country. That is where the protective tariff comes in, and not to hold up railroad rates, as the Senator has intimated.

Mr. CUMMINS. Mr. President, if Pittsburgh, Birmingham, and Chicago can reach San Francisco upon anything like the rate that prevails between Germany, Belgium, France, or England and San Francisco, then the rate that I have provided in the amendment proposed is abundant to protect our manufacturers; and I can prove that in a single minute. We have attached a duty of $3.50 a ton upon steel rails. Does the Senator from Utah remember how many tons of steel rails have been imported into the United States in the last year?

Mr. SMOOT. Mr. President, I have not had occasion to look the matter up, but I doubt very much whether there was a very large amount. However, the cost of making steel rails is an entirely different matter from structural iron, and we were discussing the question of structural iron.

Mr. CUMMINS. I simply wanted to get the Senator's answer to the question that I suggested with regard to the extent of the importations. The fact is that the importations of steel rails into the United States since our duty was placed at $3.50 a ton have been negligible. Steel rails are sold at $28 per ton in this country. That, of course, is on board cars at the point of shipment, which is usually near the eastern seaboard of the United States. Nonassembled structural steel is worth, we will say, $35 to $45 a ton, as against $28 a ton for steel rails; so that, at the very most, it can not be said that it costs more than $7 a ton to manufacture that quality of structural iron and steel in excess of the cost of manufacturing steel rails. The present duty upon that kind of imports is from $6 to $8 per ton, and that not only will cover the increased difference between the cost of production, but it will almost cover the entire difference between the cost of producing a steel rail and a structural beam; but that duty is altogether too high, Mr. President, and by this proposed amendment I reduce it to $5 per ton, and we will have a duty of $5 per ton on structural steel as a whole and a duty of $2.50 per ton upon steel rails as a whole. I look upon that as about the proper relation between steel rails and structural iron and steel; and if $2.50 per ton is fair protection for steel rails, then $5 a ton is fair protection for structural iron and steel.

Mr. OLIVER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from Pennsylvania?

Mr. CUMMINS. I yield to the Senator from Pennsylvania.

Mr. OLIVER. While we are on the subject of the shipment of structural iron and steel to the Pacific coast, I ask the Senator from Iowa if he is aware of the fact that the entire Pacific coast market for pig iron is now held by China? The Chinese, under the present tariff, are shipping practically all of the pig iron used upon the Pacific coast in opposition to our manufacturers—not in competition with, but in opposition to them—and yet the Senator proposes still further to reduce the duty on pig iron.

Mr. CUMMINS. I think that the Senator from Pennsylvania states the case with reasonable accuracy. I am in favor of free pig iron. I think it is a travesty upon political economy to suggest the transfer of pig iron from the Atlantic seaboard to the Pacific coast. I do not believe that one who examines the subject with any care at all will ever propose a duty that will protect pig iron; that is, to cover the difference between the cost of producing it here and abroad, and then add the cost of transporting it from New York to San Francisco.

We will be compelled to take in these remote quarters of the country such products as pig iron from those sources that can send them to the country with a reasonable expense of transportation.

A commodity so tremendously heavy, a commodity that so nearly approaches a raw material, can not economically be sent from one border of this country to the other. If we had transportation from the points of production to San Francisco that were fairly related to the cost of transportation from other sources or points of production to San Francisco, I would be very glad to cover by a duty the difference between the cost of producing them anywhere and the cost of producing them here, but I am not willing—and it might just as well be understood now if it is any satisfaction to the Senators in the Chamber—to use the doctrine of protection for the purpose of equalizing in such extreme cases the difference in the cost of transportation from one part of the country to the other.

Mr. DIXON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from Montana?

Mr. CUMMINS. I yield to the Senator from Montana.

Mr. DIXON. I desire to elucidate by way of a question at this time the remark of the Senator from Pennsylvania regarding the statement of the Senator from Iowa of being in favor, under the peculiar circumstances, of no duty on pig iron.

I want to ask the Senator from Pennsylvania if that is high treason to the Republican doctrine of protection, what would he denominate the color of 21 other Republican Senators who within the past two weeks voted in this Chamber for free trade on everything the farmers of this country produce. Why is it high treason for the Senator from Iowa to be in favor of one item being put on the free list when 20 Republican Senators from the great manufacturing States of the East go on record by their votes for free trade not in one article but in everything that the American farmer produces. I should like the Senator from Iowa to yield while the Senator from Pennsylvania answers that question. I want to get my protection straight.

Mr. CUMMINS. I am perfectly willing to yield to the Senator from Pennsylvania for an answer to the Senator from Montana.

Mr. OLIVER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from Pennsylvania?

Mr. CUMMINS. I do.

Mr. OLIVER. Now, if the Senator from Iowa will allow me, I will answer the question of the Senator from Montana by saying that I leave it to others, for fear of giving additional offense, to characterize the votes of some of my associates upon the measure to which he refers, but will simply ask him to remember that I at least was consistent in my vote upon that measure, and I do not regret that vote.

Mr. DIXON. I do not want to interrupt the speech of the Senator from Iowa.

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from Montana?

Mr. CUMMINS. I will yield to the Senator from Montana for a moment.

Mr. DIXON. I continually resent the statements in the debates in the Senate and the headlines in the newspapers about Republican Senators being insurgents because they see fit to stand up for the principle of protection as applied to the farmers of this country when 20 or 19 Republican Senators by their votes annihilated the principle of protection to one-third of the people of this country who make their living on the farm. I did not quite appreciate the remark of my friend the Senator from Pennsylvania, in referring to the statement of the Senator from Iowa, while 20 other Republican Senators are praised in the papers as being regular Republicans.

I resent it, and I want to reiterate that until the Republican Party comes back to its old-time doctrine, protection for all or protection for none, we are never going to write another protective tariff bill in this Chamber that will stand the test of the approbation of the American people.

Mr. CUMMINS. Mr. President, I reiterate——

Mr. OLIVER. Will the Senator allow me?

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from Pennsylvania?

Mr. CUMMINS. I yield to the Senator from Pennsylvania.

Mr. OLIVER. I want to call the Senator's attention to a statement he made some time ago and give him an opportunity to correct it, because I think it is very incorrect. He stated,

as I understood, that the product of structural steel in this country amounted to something like 23,000,000 tons.

Mr. CUMMINS. No; I made no such statement.

Mr. OLIVER. That is what I understood the Senator to state.

Mr. CUMMINS. No; I stated that the aggregate product of tonnage iron and steel is substantially 23,000,000 tons.

Mr. OLIVER. I understood the Senator applied that to structural iron and steel.

Mr. CUMMINS. Oh, no; to the entire output of those——

Mr. OLIVER. The Senator was talking about structural steel at the time. I knew that to be largely in excess of the amount.

Mr. CUMMINS. The aggregate output of what is ordinarily known as tonnage iron and steel, and by that I mean such iron and steel as are manufactured and sold by enterprises like the United States Steel Corporation, is somewhere between 22,000,000 and 23,000,000 tons.

Mr. President, when interrupted a long time ago I was about to pursue my analysis of what the United States Steel Corporation did or could do with its net earnings.

Mr. HEYBURN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from Idaho?

Mr. CUMMINS. I do.

Mr. HEYBURN. Before the Senator leaves the subject of free pig iron on the Pacific coast, I wish to say a word. I thought I was correct in my recollection. I have refreshed my memory since the Senator made the statement that he is in favor of free pig iron.

Now, in view of the fact that more than one-third of the pig iron produced in the United States is produced in the Western States, even as far west as Colorado, and within the last two or three years furnaces starting in Oregon and Washington and other States, and with the official figures showing the existence of very large quantities of iron ore clear out into the islands of Puget Sound and through the mountains of the chain of States extending up and down, does it not seem to the Senator that those people should be given some consideration in determining the question of their competition with the pig iron of countries like China or Asiatic cheap-labor countries, in order that they may do just what the East did—develop their mines?

I think the Senator will find from the official figures that there is as much raw material on the Pacific coast from which pig iron is produced as there is on the Atlantic coast. The country is new, the population is not so great, and the time that has elapsed since the settlement of the country not being so great, those interests have not advanced as they have here. But these interests would not have advanced had they been thrown in competition with such cheap production as that which comes from China.

I know the Senator is consistent, or desires to be, in the distribution of the benefits of government and protective laws. Ought not that country to be encouraged and assisted rather than to be thrown into competition with China's production while we protect the eastern country, which is less in need of protection than the West? Bear in mind that the producing section of this country has been going west greatly and rapidly, so that in 10 years the western supply—that is, the pig iron accredited to the West—has multiplied four times in 10 years, and the actual production of it has multiplied that much in 10 years. So that it would be hardly fair to limit it by giving us free pig iron from China.

Mr. CUMMINS. I do not know whether I fully understood the Senator from Idaho, but as I understood him he said that one-third——

Mr. HEYBURN. I will give the figures.

Mr. CUMMINS (continuing). Of the pig iron of this country is produced in the Western States. Does the Senator mean by that to include Michigan in the Western States?

Mr. HEYBURN. I take the Government's classification. I am speaking from Government figures.

Mr. CUMMINS. The Senator knows well that the very, very large proportion of pig iron produced in this country comes from ores mined in Michigan and ores mined in Alabama and Minnesota and the East.

Mr. HEYBURN. In view of that statement, I think the Senator would like to have the figures. The production of Michigan pig iron last year was 1,250,103 tons. That State is not at all among the large producing States of pig iron. The iron in Michigan does not go into pig iron to so large an extent—that is, as an article of commerce—as that produced in some other States.

Mr. CUMMINS. It does not go into pig iron for sale at all, because the United States Steel Corporation mines and uses practically all of it.

Mr. HEYBURN. This is the classification. Now, in regard to the different sections, I take the Government's figures. The New England and Middle States had 216 furnaces on December 31 last, and they produced 13,992,765 tons. The Western States produced 10,412,854 tons. You see there is only about 3,000,000 tons difference between them, the product of both being large. That is the product accredited to the West, and that extends as far west as Colorado and even to the Pacific coast. The figures show the progressive growth of the industry. There are the two sections of the country. The Southern States produced 2,892,926 tons. We must bear that in mind.

Now, the difference in the distance between the Michigan mines and the eastern market or the Atlantic coast and the Michigan mines and the Pacific coast is slight. The Michigan mines, those on Lake Superior, pretty nearly divide the distance. The pig iron and the products of it go west from the nearest point of large production. So we must bear that in mind.

I do not care to set myself up as a statistician, but we know something from observation of the existence of large ore bodies on the Pacific coast. It is safe to say that the ore bodies on some of the islands around Puget Sound are of as great extent as those in Pennsylvania. The only reason they have remained undeveloped is because of the fact that they were not in as good a position to compete, either through equipment or capital or development or persons who were free to engage in that business, as those in the East; but quite recently, within a few months, a very large combination of iron men—men who have been in the business in this country and are looking for new fields—have acquired a large quantity of iron land on the Pacific coast, with a view to its speedy development. So I think the Senator might reconsider the statement that he would be in favor of admitting pig iron from China free.

Mr. CUMMINS. I am first concerned with the accuracy of the statement which began this controversy. The Senator from Idaho will remember that it all grew out of a discussion as to whether duties should be levied upon pig iron that would cover the transportation of pig iron from the eastern point of production to the Pacific coast. I said in my opinion such duties ought not to be levied, and that inasmuch as we, in my further opinion, can produce and do produce pig iron in the eastern part of the United States as cheaply as pig iron can be produced in the world, therefore pig iron should be free.

Now, if we should reach a time when it was proposed to put a duty on pig iron in order that the iron mines or iron ores of the Pacific coast States or communities that were within fair transportation distance of the western country should be protected, the whole matter would have to be reconsidered, of course. I am speaking about conditions as they exist.

I now recur to the statement that I made. I have before me Table 121 of the Statistical Abstract of 1910, page 210. I presume it is the same table from which the Senator from Idaho was reading.

Mr. HEYBURN. That is the table.

Mr. CUMMINS. In order to show that I was right, I want to read the States which produce pig iron:

Alabama, Colorado—

Colorado produced, in 1910, 428,612 tons.

Connecticut, Georgia, Indiana, Illinois—

Illinois, I think, probably was the third State in the Union in the production of pig iron, but of course, as is well known, she produces her pig iron mainly from ores brought from Lake Superior.

Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Missouri, New Jersey, New York, North Carolina, Ohio, Oregon, Pennsylvania, Tennessee, Texas, Virginia, Washington, West Virginia, Wisconsin.

Washington produced none at all.

Mr. HEYBURN. That is, there is no statement.

Mr. CUMMINS. The only Western State, as I was speaking of Western States, which produced any pig iron in 1910 was Colorado, and that produced 428,612 tons.

Now, I am not saying that the time may not arrive in the future when the iron ores of the western part of this country may be utilized under proper protection. I only say, and I want the Senator from Idaho to clearly understand me, that we can not afford to transport pig iron from Chicago or from New York to San Francisco. Plainly we can not do it, because we had vastly better manufacture the pig iron into the forms that are ultimately to be used and transport those manufactured forms of iron or steel. It would be more economical to do it

than to send the pig iron; and I am sure the Senator from Idaho will not dispute with me on that point.

Mr. HEYBURN. I think we will agree, because we have figures, but it does not follow because no production of pig iron is shown in such States as Missouri and Indiana and others that none is produced. They only have not included in this table the statement. We have foundries in my State; one in my city of very considerable magnitude. We have pig-iron furnaces at Port Hill. I could name, probably, a dozen without stopping to think, but they are not included in this statement. I only used this statement for that which it did contain, and not for that which it did not contain.

Mr. CUMMINS. I will not pursue this particular subject further, but recur to the point I was endeavoring to make when diverted into this long and interesting colloquy with regard to pig iron.

I had just stated that the United States Steel Corporation, after reducing its average price last year $4.40 per ton, would have sufficient net earnings applicable to capital to pay 6 per cent interest on $1,315,231,888. I had ventured to say that my statement of two years ago—that the actual property of the United States Steel Corporation was not worth more than $700,000,000—had been corroborated since that time by the complete and illuminating inquiry made by the Bureau of Corporations with respect to the organization of this company.

I had endeavored to establish the proposition that so far as protection is concerned, if we established a duty which would enable this company to pay 7 per cent on $700,000,000, we had fully complied with the doctrine of protection and with the pledge of the Republican Party. If we do allow 7 per cent on $700,000,000, the result is $49,000,000 required by that company to make a fair and reasonable return upon the capital invested.

Now, let us see. If we deduct the $49,000,000 from the net earnings of this company there would still remain $29,913,000.31. After compensating capital, after laying aside $22,000,000 and more for replacements and depreciation, after paying all the expense of maintenance and operation, this company would have in its treasury, even though it had sold its product for $4.40 per ton less than the price at which it did sell it, $29,913,000.

This represents the amount of undivided and excessive profit even upon the lowered plane of prices which I have suggested. This means further, that allowing for all the extravagant deductions for depreciation and replacement and exorbitant profits, for a large part of this capitalization would be represented by bonds bearing not more than 5 per cent per annum, the company could have sold every ton of its product at an average reduction in price of $7 a ton and still have rewarded capital in the way I have suggested.

Now I come to the point that was remarked upon by the Senator from Rhode Island, and a very proper point it is, because we can not afford to adjust our tariff duties solely upon the basis of the cost of that company or enterprise which can produce at the lowest or minimum expense, but we must adjust our tariff duties upon a fair average of the cost of production.

I heard debated here two years ago, as all did, this very point; and while I have no precise information with regard to the cost of other companies as I have in regard to the cost of the United States Steel Corporation, I never heard it suggested by anyone debating the matter that upon the average the United States Steel Corporation could produce for more than $2 a ton less than the cost of other companies. If there is anyone here who has better knowledge upon that subject than we have had heretofore, I shall be glad in the course of this debate to hear the result of his observation or his experience upon the subject. I assert that upon the average it does not cost any large company engaged in this business in the United States to exceed $2 a ton in excess of the cost of the United States Steel Corporation; and if that be true, and I think it can not be fairly questioned, and if I have proved, as I have beyond any controversy whatever, that the United States Steel Corporation can sell its product at $7 per ton less than it sold it for last year, the fear that it will destroy any legitimate industry in the hands of the smaller companies becomes purely imaginary, because in my judgment the duties which I still propose upon these products will more than measure the difference between the cost of production of any of them and the cost of production of like articles abroad.

These reductions will not confine the United States Steel Corporation to fair profits, even though its prices be reduced the full amount of the reduction I have proposed. It will, however, in my opinion confine other companies—the companies which manufacture about 54 per cent of such products in the United States—to fair prices if they would exclude competition from abroad.

Mr. President, I have finished my review of this subject. If there is anything that I have omitted I shall be very glad to respond to anyone who desires to make an inquiry.

Mr. LIPPITT. Mr. President, I want to ask a single question to get a little more elucidation of the point the Senator from Iowa and myself were discussing when some others broke in upon the discussion. I asked him if the profits of the United States Steel Co. would not be larger than the profits of the other half of the industry. As I understood him, his opinion agreed with mine that those profits would be larger, but he thought, as I understood him, that the difference in the profits was very slight.

Mr. CUMMINS. No, Mr. President; I did not say slight; I said not more than $2 a ton. I do not think that a slight difference.

Mr. LIPPITT. Then I understand the Senator thinks the difference in the profits is considerable. It seemed to me, if that was the case, the effect of reducing the duty would inevitably be to throw more and more of the industry out of the hands of the small producer and into the hands of the large unit of production represented by the United States Steel Co., and that it was scarcely fair to the industry to take solely the profits of one producer, which, on account of its composition, had certain advantages in which none of the others shared, and figure upon those profits as a proper basis for the whole iron industry. It seemed to me that the inevitable tendency here is to increase the consolidation of the business into a single hand, which many people are very much objecting to.

The Senator also a minute ago said that he did not know of any large producer of iron that had not been able to make a good profit, as I understood him.

Mr. CUMMINS. No; I said nothing about that.

Mr. LIPPITT. That had not been able to compete successfully, we will say.

Mr. CUMMINS. I think there are some producers that are not doing very well.

Mr. LIPPITT. As I understood the Senator, he challenged anyone to bring forward the case of a large producer of iron fabrics that had not done well under existing circumstances. If that is the case, I should like to call his attention to the Lackawanna Steel Co., which has a capital of more than $34,000,000, every dollar of which was paid in in cash. It was founded, I understand, some 10 years ago, and not a single dollar of dividends, I believe, has since been paid on the original investment. It seems to me that that would be pretty strong evidence that in some cases at least the competition had been pretty severe. But that was not particularly the point I had in mind; it was rather the question as to the effect of this reduction upon the small producer.

Mr. CUMMINS. In regard to the last suggestion of the Senator from Rhode Island, I do not know about the affairs of the Lackawanna Steel Co. There are in every business companies that will not and can not succeed. The tariff alone will not enable any person to highly succeed in business. There must be in addition certain natural advantages and a certain skill and sagacity in management and operation. The Senator from Rhode Island knows, because it has often fallen under his observation, that a certain business given into one hand will fail, no matter how favorably it may be situated, and given into another, surrounded by the same conditions, it will succeed. It is not intended by our tariff policy to eliminate the personal equation, if I may use the words of a distinguished Senator. It is not intended to guarantee against mismanagement or incapacity. I would be sorry to see our Republican doctrine converted into a guaranty for ignorance and unintelligence.

I do not know, however, that this is true of the Lackawanna Steel Co. I am simply saying that I do not agree that its failure, if it has been a failure, can be used as an argument against the proposition I have advanced.

Now, answering the first suggestion of the Senator from Rhode Island, if I had said or if I had proved that the United States Steel Corporation could not suffer a reduction of more than $4.40 per ton upon the average of its product, then the conclusion stated by the Senator from Rhode Island would follow, in view of my admission that I believe at least the cost of production is greater with some of the lesser companies than with the United States Steel Corporation.

I have proved that the United States Steel Corporation could reduce its prices $7 a ton and still pay 7 per cent interest upon the whole capital originally invested in the business and all the independent capital that ever was invested in the business. When the Senator from Rhode Island says, and says truly, that there are other companies whose products cost more, I say that there is no established company, no company of considerable

proportions, whose product costs $2.60 in excess of the product of the United States Steel Corporation, and no one whom I have ever heard has so claimed. Therefore, when I have shown that we could reduce these duties so far as the United States Steel Corporation is concerned to $7 a ton, I have proved that there is ample protection in it for any of the companies which now manufacture steel.

I intended, Mr. President, to take up somewhat in detail other items in the metal schedule, but I have consumed now much more time than I intended to consume. These interruptions have been very helpful; I do not complain of them; but I do not feel that I desire at this time to go into the remaining items of the metal schedule. I think everybody will agree that if I have fixed upon a proper reduction for tonnage iron and steel my proposal with respect to other manufacturers of iron and steel can not be successfully assailed; and therefore thanking the Senate and the Senators for listening to me so patiently, so far as I am concerned I submit the amendment I have proposed.

MESSAGE FROM THE HOUSE.

During the delivery of Mr. CUMMINS's speech a message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 11019) to reduce the duties on wool and manufactures of wool.

The message also communicated to the Senate the intelligence of the death of Hon. HENRY C. LOUDENSLAGER, late a Representative from the State of New Jersey, and transmitted resolutions of the House thereon, and announced that the Speaker of the House had appointed as the committee on the part of the House Mr. CANNON, Mr. PADGETT, Mr. ROBERTS of Massachusetts, Mr. BUTLER, Mr. BATES, Mr. LLOYD, Mr. MCKINLEY, Mr. AIKEN of South Carolina, Mr. RODENBERG, Mr. CAMPBELL, Mr. CRAVENS, Mr. GARDNER of New Jersey, Mr. HUGHES of New Jersey, Mr. WOOD of New Jersey, Mr. KINKEAD of New Jersey, Mr. HAMILL, Mr. MCCOY, Mr. TOWNSEND, Mr. SCULLY, and Mr. TUTTLE.

TARIFF DUTIES ON WOOL.

After the conclusion of Mr. CUMMINS's speech,

Mr. LA FOLLETTE. Mr. President, I had intended to present the conference report upon the wool bill, so called, but as many Senators have already left the Chamber, and as it is understood that it will provoke some debate, I will not present it until to-morrow morning. I will therefore move that the Senate adjourn.

Mr. BRIGGS. Will the Senator from Wisconsin withhold his motion, that I may call up resolutions from the House of Representatives?

Mr. LA FOLLETTE. I withdraw the motion at the request of the Senator from New Jersey.

DEATH OF REPRESENTATIVE HENRY C. LOUDENSLAGER.

Mr. BRIGGS. I ask the Chair to lay before the Senate the resolutions from the House of Representatives relative to the death of my late colleague in that body.

The PRESIDENT pro tempore. The Chair lays before the Senate resolutions from the House of Representatives, which will be read.

The Secretary read the resolutions as follows:

In the House August 12, 1911.

Resolved, That the House has heard with profound sorrow of the death of Hon. HENRY C. LOUDENSLAGER, a Representative from the State of New Jersey.

Resolved, That a committee of 20 Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions, and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk send a copy of these resolutions to the Senate and also transmit a copy thereof to the family of the deceased.

Mr. MARTINE of New Jersey. Mr. President, as a resident and fellow citizen of New Jersey, I would like to say a word.

The grim reaper has again done its work, this time in the other House of Congress. Had HENRY CLAY LOUDENSLAGER lived his term out he would have served the Government of the United States consecutively 20 years.

All who knew him, everybody who had touch with or an inclination for politics in the Commonwealth of New Jersey, knew kindly and well the loving, genial, and hospitable HARRY LOUDENSLAGER. The State of New Jersey in his death has lost a splendid son, society a delightful and loving companion, these United States a grand patriot and a broad statesman. New Jersey stops to weep at his bier and pay the last tribute it can in wishing for his family God's speed and God's blessing to him.

Mr. BRIGGS. Mr. President, I offer the following resolutions, and ask for their adoption.

The PRESIDENT pro tempore. The Senator from New Jersey submits resolutions, which will be read by the Secretary.

The resolutions (S. Res. 137) were read and unanimously agreed to, as follows:

Resolved, That the Senate has heard with deep sensibility the announcement of the death of the Hon. HENRY CLAY LOUDENSLAGER, late a Representative from the State of New Jersey.

Resolved, That a committee of nine Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to take order for superintending the funeral of Mr. LOUDENSLAGER at Paulsboro, N. J.

Resolved, That the Secretary communicate a copy of these resolutions to the House of Representatives and to the family of the deceased.

The PRESIDENT pro tempore appointed as the committee on the part of the Senate under the second resolution Mr. BRIGGS, Mr. MARTINE of New Jersey, Mr. BAILEY, Mr. CURTIS, Mr. BRANDEGEE, Mr. OLIVER, Mr. NIXON, Mr. WILLIAMS, and Mr. HITCHCOCK.

Mr. BRIGGS. I offer the following resolution, and ask for its adoption.

The PRESIDENT pro tempore. The resolution will be read.

The Secretary read the resolution, as follows:

Resolved, That as a further mark of respect to the memory of the deceased, the Senate do now adjourn.

The PRESIDENT pro tempore. The question is on agreeing to the resolution submitted by the Senator from New Jersey.

The resolution was unanimously agreed to, and (at 5 o'clock and 18 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, August 15, 1911, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

MONDAY, *August 14, 1911.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father in heaven, we need Thy guiding and restraining influence in all the intricacies of this strenuous and complicated existence, hence we pray for self-control, self-respect, self-reliance under Thee, that we may be strong, and pure, and noble in all our intercourse with our fellow men; that Thy purposes may be fulfilled in us, to the glory and honor of Thy holy name. Amen.

The Journal of the proceedings of Saturday, August 12, 1911, was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 2246. An act to amend the military record of John P. Fitzgerald, who enlisted and served under the assumed name of Joshua Porter in Company K, Seventh Regiment, and Company C, First Regiment, Michigan Volunteer Cavalry, from March 9, 1865, to March 10, 1866, and to issue to him an honorable discharge in his true name of John P. Fitzgerald;

S. 2534. An act to extend the time for the completion of the Alaska Northern Railway, and for other purposes;

S. 3115. An act to authorize the Secretary of the Interior to withdraw from the Treasury of the United States the funds of the Kiowa, Comanche, and Apache Indians, and for other purposes; and

S. 304. An act for the erection of a statue to the memory of Gen. James Miller at Peterboro, N. H.

The message also announced that the Senate had passed the following resolution:

Resolved, That the Secretary be directed to furnish to the House of Representatives, in compliance with its request, a duplicate engrossed copy of the joint resolution (S. J. Res. 31) authorizing the Secretary of War to loan certain tents for the use of the Astoria Centennial, to be held at Astoria, Oreg., August 10 to September 9, 1911.

SENATE BILLS REFERRED.

Under clause 2, Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 2246. An act to amend the military record of John P. Fitzgerald, who enlisted and served under the assumed name of Joshua Porter in Company C, First Regiment Michigan Volunteer Cavalry, from March 9, 1865, to March 10, 1866, and to issue to him an honorable discharge in his true name of John P. Fitzgerald; to the Committee on Military Affairs.

S. 2534. An act to extend the time for the completion of the Alaska Northern Railway, and for other purposes; to the Committee on the Territories.

S. 3115. An act to authorize the Secretary of the Interior to withdraw from the Treasury of the United States the funds of the Kiowa, Comanche, and Apache Indians, and for other purposes; to the Committee on Indian Affairs.

S. 304. An act for the erection of a statue to the memory of Gen. James Miller at Peterboro, N. H.; to the Committee on the Library.

ENROLLED BILL SIGNED.

Mr. CRAVENS, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 2925. An act to extend the privileges of the act approved June 10, 1880, to the port of Brownsville, Tex.

ENROLLED BILLS PRESENTED TO THE PRESIDENT OF THE UNITED STATES FOR HIS APPROVAL.

Mr. CRAVENS, from the Committee on Enrolled Bills, reported that on August 12 they had presented to the President of the United States, for his approval, the following bills:

H. R. 6098. An act to authorize the Campbell Lumber Co. to construct a bridge across the St. Francis River from a point in Dunklin County, Mo., to a point in Clay County, Ark.;

H. R. 11021. An act to authorize the Levitte Land & Lumber Co. to construct a bridge across Bayou Bartholomew, in Drew County, Ark.; and

H. R. 11477. An act authorizing the construction of a bridge and approaches thereto across the Tug Fork of the Big Sandy River at or near Matewan Station, in Mingo County, W. Va.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to Mr. CANDLER, indefinitely, on account of the dangerous illness of his father.

LETTERS, DOCUMENTS, ETC., IN REGARD TO ALASKA COAL CONTRACTS.

Mr. CLAYTON. Mr. Speaker, I present a privileged report on House resolution 217.

The SPEAKER. The gentleman from Alabama presents a privileged report. The Clerk will read the resolution and the report.

The Clerk read House resolution 217, as follows:

Resolved, That the Attorney General be, and he is hereby, directed to furnish to the House of Representatives the following:

A copy of all letters, documents, affidavits, testimony, or evidence, and of all reports of special agents, employees, assistants, or district attorneys, and all other information of whatsoever kind or from whence derived, in possession or under the control of the Department of Justice, relating to the matters and things alleged and contained in that certain affidavit signed by H. J. Douglas and sworn to on the 23d day of May, 1910, before Ben Vail, notary public in and for the District of Columbia, a copy of which was forwarded to the Attorney General on May 24, 1910, by the Delegate from Alaska, the receipt of which was acknowledged by the Attorney General, by his letter of May 31, 1910, addressed to the Delegate from Alaska.

With the following amendment:

In line 2, after the word "directed," insert "if not incompatible with the public interest."

The SPEAKER. The Clerk will read the report. (H. Rept. 145.)

The Clerk read the report (by Mr. CLAYTON), as follows:

The Committee on the Judiciary, having had under consideration House resolution 217, make the following report thereon:

The resolution calls for certain information and is limited to such purpose. Its language is as follows:

"*Resolved*, That the Attorney General be, and he is hereby, directed to furnish to the House of Representatives the following:

"A copy of all letters, documents, affidavits, testimony, or evidence, and of all reports of special agents, employees, assistants, or district attorneys, and all other information of whatsoever kind or from whence derived, in possession or under the control of the Department of Justice, relating to matters and things alleged and contained in that certain affidavit signed by H. J. Douglas and sworn to on the 23d day of May, 1910, before Ben Vail, notary public in and for the District of Columbia, a copy of which was forwarded to the Attorney General on May 24, 1910, by the Delegate from Alaska, the receipt of which was acknowledged by the Attorney General by his letter of May 31, 1910, addressed to the Delegate from Alaska."

The information called for by the resolution is "a copy of all letters, documents, affidavits," etc., "in possession or under the control of the Department of Justice, relating to the matters and things alleged and contained in that certain affidavit signed by H. J. Douglas," etc. Inasmuch as the particular letters, documents, affidavits, etc., which are desired are not described except by mere reference to the Douglas affidavit, it was necessary for the committee to be informed of the contents of such affidavit. Therefore, for the purpose of being informed as to the contents of such affidavit a hearing was given to Mr. WICKERSHAM, the Delegate from Alaska, the author of the resolution. Accordingly, at the committee hearing on July 13, 1911, the Delegate furnished a copy of the Douglas affidavit to the committee, a copy of which affidavit is appended to this report. After having furnished this information to the committee, the Delegate in his statement went beyond the scope of the resolution itself and made certain references to the Attorney General. The Attorney General was not present at such hearing, but afterwards took exception to these references made by the Delegate.

On July 17, 1911, the Attorney General, in a letter addressed to the chairman of the committee, signified his desire to appear before the committee. On July 24, 1911, the Attorney General did appear before the committee and made a statement in regard to the matters covered by the resolution and the other matters referred to by the Delegate in his statement. At this hearing the Attorney General said:

"I have no objection to the resolution, and had that been the only matter before this committee I should not have asked to appear here, because resolutions calling upon the Attorney General for information relating to various matters under consideration by the Department of Justice are commonly passed and are dealt with in a routine manner. But in the hearing before the committee on the 13th day of July the Alaskan Delegate undertook to accuse me, to use his own language, of purposely shielding and defending 'Alaska syndicate criminals from punishment for crimes against the Government in this specific instance and also in other instances wherein I personally gave him the evidence which would justify him in finding indictments.' Therefore, the question really before your committee is, I take it, as to my personal part in dealing with information laid before the Department of Justice referred to by the Delegate in his statement before the committee at the last hearing."

When he appeared before the committee, the Attorney General furnished a copy of the letters, documents, affidavits, etc., called for by the resolution and described in the Douglas affidavit. At the same time the Attorney General likewise produced and laid before the committee copies of various other papers and documents, some confidential and some not confidential in character, and not called for by the resolution, but pertaining to certain matters discussed by the Delegate before the committee. In doing this the Attorney General expressed his purpose to present, and the fact that he had presented to the committee, all the papers which had come into his possession touching any of the matters criticized or complained of by the Delegate. In so far as these documents relate to the resolution, the committee deemed it proper that the same should be laid before the House by the Attorney General in conformity with the resolution as hereinafter reported and in the customary manner, but the remaining documents were by your committee returned to the Attorney General for the twofold reason that the same were not germane to the resolution and were, in the opinion of your committee, of such character that, pending investigations by the Department of Justice and the administration of justice would probably be impeded by their publication.

Your committee considers itself without power to pass upon matters presented by the Delegate on the one hand and the Attorney General on the other which were beyond the scope of the pending resolution, but permitted the introduction of the same only by courtesy and because of the request of both of the gentlemen concerned. The duty of the committee, so far as this resolution is concerned, does not authorize the committee to go beyond the mere ascertainment of the meaning and purpose of the resolution and the propriety of reporting back the resolution itself. The practice of the House seems to be, and certainly it has been the practice of the present House, to require investigations of executive departments to be made by the several standing committees having jurisdiction of the expenditures in the several executive departments or by select committees appointed by the House for specific purposes. Whatever inquisitorial power the committee has in this matter, such power is limited to the scope of this resolution, which simply calls for information in the shape of a copy of letters, etc. Of course, a resolution could have been offered which might have imposed a more comprehensive duty upon your committee. But under the authority necessarily involved in the consideration of the resolution and under the law and the practice and rules of the House, this committee is without power to investigate conditions in Alaska or to subpœna and swear witnesses, or other like power usually conferred upon investigating committees.

Your committee recommend that the resolution be amended by inserting after the word "directed" in line 2, page 1, of the resolution the following words, "if not incompatible with the public interests." And your committee therefore report back the resolution with the amendment and recommend that the resolution as amended be adopted.

APPENDIX.

UNITED STATES OF AMERICA, *District of Columbia, ss:*

H. J. Douglas, being first duly sworn, upon oath deposes and says:

That during the spring and summer of 1908 this affiant was the auditor of the Northwestern Commercial Co., the Northwestern Fisheries Co., the Northwestern Lighterage Co., the Northwestern Steamship Co., and to December 31, 1909, general auditor of the Copper River Railway, the Copper River & Northwestern Railway, and the Katalla Co.; in fact, all of the Alaska Syndicate companies at Seattle, Wash.; that as such auditor and accountant this affiant had intimate knowledge of the accounts of the said various corporations as kept in their said account books at Seattle, Wash.

That it has been the custom for the War Department to advertise for bids for supplying coal to the Alaska military posts; and that in the spring of 1908 the United States Government did advertise for bids for coal for Fort Davis and Fort Liscum, in the Territory of Alaska; that at that time one D. H. Jarvis was treasurer of the aforesaid companies, and, as such, and as the confidential manager of the said companies, became interested in securing the contract for furnishing the coal for the said two military posts; that the John J. Sesnon Co., of Nome, was also a competitor; that at that time one John H. Bullock was the manager of the said John J. Sesnon Co., and was in the city of Seattle; that he and the said Jarvis had many conferences in respect to the said bids and agreed one with the other, each for his corporations interested, to put in bids which would insure the award of the said bid to one or the other of these competitors, there being no other competitors, at a price which would insure a very large profit to them.

They agreed upon certain lighterage tariffs which were prepared between them, and agreed upon a division of the profits of the said bids, and, thereupon, each put in a bid for the said contract. Each of the said parties, the said Jarvis and the said Bullock, made, signed, swore to, and delivered to the United States an affidavit, which, substantially, to the best information of the affiant, stated that no one but the company which the affiant represented had any interest in the contract for which affiant presented a bid for his company; that the said affidavit made by the said Jarvis in that respect was false, and known by him to be false, because previous to the making thereof he had agreed with the said Bullock to a division of the profits between them. This affiant is informed and believes that said affidavits and bids were forwarded to the quartermaster at Fort Vancouver, Wash., by the said Jarvis and Bullock, who went personally to that post at the opening of the bids. Affiant is informed and believes, and refers to the bids for exactness, that the contract was awarded to the John J. Sesnon Co. for about $28 per ton for about 4,000 tons; that the said Jarvis affidavit was made by him in that matter before one Harris—in Seattle—a notary public, about April, 1908.

That immediately thereafter, during the summer of 1908, the said Sesnon Co. delivered the said coal to the said United States military posts, and the Government paid for the same, as shown by the bids and the accounts of the Government. That thereafter, and about February or March, 1909, and in settlement of the agreement between Jarvis and Bullock, the said Sesnon Co. paid to the said Northwestern Commercial Co., at Seattle, the sum of $6,700, or thereabouts, as the share which was agreed to be paid by the said Sesnon Co. to the corporations represented by the said Jarvis, and the said sum of $6,700, or thereabouts, was carried into the accounts of the Northwestern Commercial Co. and credited to the Nome station.

Affiant is now informed that said transaction was illegal, and that the said statement in the affidavit of Jarvis was in violation of law. That affiant says, of his own knowledge, that the credit of the $6,700 and odd was carried into the book accounts of the said Northwestern Commercial Co., but affiant has no knowledge where the bids and affidavit of the said Jarvis are now.

H. J. DOUGLAS.

Subscribed and sworn to before me this 23d day of May, 1910.
[SEAL.] BENJ. VAIL,
Notary Public in and for the District of Columbia.

Mr. CLAYTON. Mr. Speaker, I move the previous question on the resolution and amendment.

The previous question was ordered.

The amendment was agreed to.

The resolution as amended was agreed to.

On motion of Mr. CLAYTON, a motion to reconsider the vote whereby the resolution was agreed to was laid on the table.

THE WOOL SCHEDULE.

Mr. UNDERWOOD. Mr. Speaker, I call up the conference report on the bill (H. R. 11019) to reduce the duties on wool and manufactures of wool, and I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. The gentleman from Alabama calls up a conference report and asks unanimous consent that the statement be read in lieu of the report. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I would like to make a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MANN. I wish to make a point of order on the report. If the waiting of the reading of the report would not affect the right to make the point of order, then I have no objection to waiving the reading of the report and reading the statement.

Mr. UNDERWOOD. Mr. Speaker, if the gentleman desires to make a point of order on the report, I think the report ought to be read, so that the House may understand the point of order.

The SPEAKER. What is the gentleman's point of order?

Mr. MANN. Mr. Speaker, I will make the point of order at the proper time, when the report has been made.

Mr. UNDERWOOD. Mr. Speaker, if there is a point of order to be made, I suggest that the report ought to be read to the House.

The SPEAKER. The Clerk will read the report.

The Clerk read the report.

(For report, see proceedings of Saturday, August 12, 1911.)

Mr. UNDERWOOD. Mr. Speaker, as the report has been read, I have no desire to have the statement read. It is not necessary.

Mr. MANN. Mr. Speaker, I make the point of order that the conferees exceeded their authority and jurisdiction in coming to the agreement which they did. Under the bill as it passed the House, the Underwood bill, it is provided that on Brussels carpets, figured or plain, and on all carpets or carpeting of like character or description, the duty shall be 30 per cent ad valorem; also, that on velvet and tapestry-velvet carpets, figured or plain, printed on the warp or otherwise, and all carpets or carpeting of like character or description, the duty shall be 35 per cent ad valorem. Under the bill as it passed the Senate it is provided that on Brussels carpet, figured or plain, and all carpets or carpeting of like character or description, the duty shall be 35 per cent ad valorem. The language of the description in the Underwood bill and in the La Follette amendment is precisely the same. In the Underwood bill the rate is fixed at 30 per cent ad valorem and in the La Follette amendment at 35 per cent ad valorem. The conferees bring in a report fixing the rate at 40 per cent ad valorem.

Not only that. I read the paragraph in the Underwood bill on velvet and tapestry-velvet carpets fixing the rate at 35 per cent ad valorem. In the La Follette amendment, in the same language, velvet and tapestry-velvet carpets, figured or plain, printed on the warp or otherwise, and all carpets or carpeting of like character or description, the rate is fixed at 35 per cent ad valorem. On the description of velvet and tapestry-velvet carpets, which is precisely the same in the Underwood bill and the La Follette amendment, each House fixed the rate at 35 per cent ad valorem; but the conferees fix the rate at 40 per cent ad valorem.

On Saxony, Wilton, and Tournay velvet carpets the House fixed the rate at 35 per cent ad valorem, and in the same language the Senate fixed the rate at 35 per cent ad valorem, both bodies fixing the same rate in the same language. The conferees, however, fixed the rate at 50 per cent ad valorem, a rate 15 points greater than that at which the House fixed it and 15 points greater than that at which the Senate fixed it.

On Axminster and other carpets carried in paragraph 10 of the Underwood bill the rate was fixed by the House at 40 per cent ad valorem, but in the same language of description the Senate fixed the rate at 35 per cent ad valorem. The conferees, having before them a dispute or disagreement whether the rate should be 40 per cent, as fixed by the House, or 35 per cent, as fixed by the Senate, split the difference by making the rate 50 per cent, 10 per cent more than fixed by the House and 15 per cent more than the rate fixed by the Senate. On manufactures of hair of the camel, goat, alpaca, and so forth, the House fixed the rate of 40 per cent ad valorem, and the Senate fixed the rate of 30 per cent ad valorem, and in this conference over the disagreement between the 40 per cent and the 30 per cent the conferees arrived at an agreement and fixed the rate of 49 per cent, 9 points higher than that fixed by the House and 19 points higher than that fixed by the Senate. Mr. Speaker, it is true that the Senate amendment strikes out all after the enacting clause and inserts a substitute bill, but in all parliamentary precedents it has been held that where the House and the Senate both provided in the same language for the same thing, so that on that particular point there was no dispute between the two bodies, the conferees had no right to change it, and where the only dispute or disagreement was the question of figures as to the amount, the House having set one amount and the Senate having set another amount, the only jurisdiction of the conferees was between the two amounts fixed by the two Houses. Under the theory of this conference report, if the House passes a bill making an appropriation for $100,000 and the Senate increases that amount to $150,000, having precisely the same language, the conferees, having to agree upon the disputes between the two bodies, may change it by fixing the sum at $1,000,000. We have a right, where a matter goes to conference, to know that the conferees will only act on the question in dispute between the two bodies. I have called attention to the items as to carpets. I now wish to call attention to the change made by the conferees, without authority, as to wools. The House fixed the rate on all wools at 20 per cent ad valorem. The Senate fixed the rate on class 1 wools at 35 per cent ad valorem, and excepted from class 1 wools, what is now class 3, and hair, in this language:

Donskoi, native South American, Cordova, Valparaiso, native Smyrna, and all such wools of like character as have been heretofore imported into the United States from Turkey, Greece, Syria, and elsewhere, excepting improved wools hereinafter provided for; the hair of the camel, Angora goat, alpaca, and other like animals.

Upon these wools and hairs the rate was fixed by the Senate at 10 per cent ad valorem. The controversy between the House and the Senate was whether all wool rates should be fixed at 20 per cent ad valorem or whether certain wools should be fixed at 35 per cent, as provided by the Senate, and other wools 10 per cent, as provided by the Senate. It was within the province of the conferees to fix any rate which they were pleased to agree upon as to class 1 wools between 20 per cent and 35 per cent, but I deny that it was within the power of the conferees, having a dispute between this body fixing all wools at 20 per cent and the Senate fixing certain wools at 10 per cent, to make any figures outside of some figure between 10 per cent and 20 per cent, and yet the conferees have fixed the rate on these classes of wools and hairs at 29 per cent. I have taken the trouble, Mr. Speaker, to figure out what the effect would be——

The SPEAKER. The Chair would like to ask the gentleman from Illinois a question for information.

Mr. MANN. Certainly.

The SPEAKER. Of course, this thing has been brought up suddenly, but the Chair would like to inquire, after the hasty examination of these bills from time to time, and after inquiry, if it is not true that all the difference as to this raw-wool proposition that the gentleman is now talking about is not a matter of classification on this one item of raw wool and then a change of rate not exceeding the higher rate suggested by either House?

Mr. MANN. Now, let me explain, Mr. Speaker. Let us see what the application of the rates in the three cases would have produced if applied to the wool receipts for the fiscal year 1910, the figures of which have been frequently quoted on the floor of this House.

The Underwood bill puts the duty on wool at 20 per cent. The La Follette amendment puts the duty on wool part at 35 per cent and part at 10 per cent. During the fiscal year 1910 there were imported wools to the value of $47,687,293.20. Of these $32,114,802 would have been subject under the La Follette amendment to a 35 per cent duty, and $15,572,491.20 under the La Follette amendment would have been subject to a 10 per cent duty. Thirty-five per cent of the thirty-two million and odd dollars is $11,240,180.70, and the 10 per cent of the fifteen million and odd dollars is $1,557,249.12. So that under the La Follette amendment the importations for 1910 would have paid a total duty of $12,797,429.82. Under the Underwood bill as it passed the House the duties would have been 20 per cent of the total value of importations, or $9,537,458.64. Therefore there was in dispute between the two bodies items which under the Senate bill would have produced 12 million and odd dollars and under the Underwood bill nine million and odd dollars, and the only thing the conferees had power to do was to decide upon some bill, or language, or rate, which would fix the duty either at one of these sums or at some amount between them. What did they do?

Under the conference report they fixed the rate at 29 per cent on all importations, and 29 per cent of the $47,687,293.20 of importations would be $13,829,315.02, or $1,031,885.20 greater than would have been raised under the La Follette amendment and $4,291,856.38 greater than would have been raised under the Underwood amendment.

The conferees had the power to adjust all differences between the Houses. That is what conferees are appointed for, namely, to adjust the differences between the two Houses; but in this case—and I would not for a moment think it was because Texas raises Angora goat hair, a State which had two men on the conference committee—the conferees exceeded their jurisdiction. They not only did not confine their agreement to points of difference between the two Houses, but they raised the rate which had been fixed by the House at 20 per cent and the Senate at 10 per cent to 29 per cent. They would have raised the importation duties a million dollars and more greater than would have been raised under either the Senate amendment or the House bill.

I think this matter is one of sufficient importance for the Chair to hold that, where the House appoints conferees to adjust differences between two bodies, we have the right in the *House to hold* the conferees to their authority and their jurisdiction, and to only adjust the differences between the two bodies.

Mr. DALZELL. I want to call the gentleman's attention before he sits down to the fact that in addition to the changes he has already suggested the House bill and the Senate bill both fixed the date at which the bill shall go into effect as the 1st of January, 1912. The text of the House bill and the text of the Senate bill are identical in that respect. The report of the conferees makes the date at which the bill shall go into effect October 1 of the present year.

Mr. FITZGERALD and Mr. LENROOT rose.

The SPEAKER. Does the gentleman from Illinois yield to the gentleman from Wisconsin?

Mr. MANN. I do.

Mr. LENROOT. I would like to ask the gentleman if the Senate and the House both disagree, one to the House bill and one to the Senate bill, if there would be any agreement on the subject whatever? Has not each House expressly disagreed to the bill of the other?

Mr. MANN. The text is the same in both bills. It has been decided times without number that the conferees can not change the text agreed to by both Houses.

The SPEAKER. Does the gentleman from Illinois [Mr. MANN] yield to the gentleman from New York [Mr. FITZGERALD]?

Mr. MANN. I do.

Mr. FITZGERALD. I would like to ask whether he contends there was any agreement between the two Houses as to any part of the text in either the House bill or the Senate substitute?

Mr. MANN. I do not contend that technically there was any agreement, because the Senate struck out all the House bill and inserted a new bill. We had precisely the same question before the conferees on the railroad bill at the last Congress, and in that conference report we changed the date when a part of the bill should go into effect, although both the House and the Senate had fixed the same date in the original bill—the same date both in the House bill and in the Senate substitute; and when we did this, reporting it back to the House as we did, we called the attention of the House to the fact, so that if anybody desired to make a point of order upon it he would have the privilege and the right, and would have his attention attracted to it.

I stated in conference at the time that it was unquestionably true that where both the House and the Senate had agreed to precisely the same language, although in one case it was in the House bill and in the other the substitute bill, the conferees had no right to change it over a point of order; but if they made a change which everybody wanted, and if they called attention to it in the House, so that any Member could preserve his rights by a point of order, I thought it was a proper thing to do, and it was so done.

Now I do not care when we fix the date in this bill, so far as I am concerned.

The SPEAKER. The Chair would inquire of the gentleman from Illinois how they fixed the date in that railroad bill? Was there any action upon it by the House? Did anybody raise the point of order?

Mr. MANN. Nobody raised the point of order, but I called attention to the fact that the date had been changed as to the time of going into effect of certain sections of the bill, one of which provided for the Interstate Commerce Commission having the right to suspend the new rates. The rest of the bill did not go into effect until later.

Now, I contend, Mr. Speaker, that the conferees in this case have entirely exceeded their jurisdiction. I do not desire to detain the House discussing a point of order in this way. There are other things in the conference report which I think are also subject to a point of order along the same lines—other places where raises have been made beyond those fixed by either the House or the Senate.

Mr. MONDELL. Mr. Speaker——

Mr. UNDERWOOD. Mr. Speaker——

The SPEAKER. The gentleman from Alabama is recognized.

Mr. UNDERWOOD. Mr. Speaker, I would be disposed to take the argument of the gentleman from Illinois [Mr. MANN] seriously, from the solemn manner and forceful way in which he has presented his case to the House; but knowing, as I do, and as every man in this House knows, that the gentleman from Illinois is one of the best-informed parliamentarians in the House, and certainly has not presented a case of this kind to the House without having made an examination of the authorities, I am constrained to believe that the gentleman is not serious in his presentation of the case to the Speaker.

Now, the whole case in a nutshell is this: The House passed the House bill fixing certain rates. The Senate struck out every word of the House bill after the enacting clause and enacted an amendment to Schedule K of the Payne tariff law. The Senate, when they struck out all of our bill, did not agree to anything in the House bill. They inserted the Payne tariff law, amended. When their amendment came back to the House it brought back Schedule K of the Payne tariff law, putting into conference everything that was in Schedule K of the Payne tariff law, as well as in amendments that were adopted to Schedule K of the Payne tariff law.

Now, the conference report does not pass technically on the original bill that passed this House. The conference report amends Schedule K of the Payne tariff law. There is not a rate in this bill that was not thrown into conference by that situation. There is not a rate in this bill that is not below the rate in the Payne tariff law. The whole matter was thrown into conference, and the authorities are absolutely clear on the question.

The SPEAKER. The Chair will ask the gentleman from Alabama this question: What does he say about the contention of the gentleman from Illinois that when the House passed the bill and the Senate amended it and it went to conference the conferees can not go lower than the lower rate and they can not go higher than the higher rate in one of the two bills?

Mr. UNDERWOOD. Mr. Speaker, wherever there is an agreement between the two Houses the conferees can not change the language of the agreement, but there is nothing in what the gentleman says about the higher rate or the lower rate, any more than there is about this language or that language in

the bill. It has nothing to do with that. The question before this House and the question before the Speaker is whether the conferees have changed an agreement made between the two Houses. There had not been one line of agreement reached between the two Houses before the bill went to conference. The Senate struck out every word of our bill. The House, when it brought the Payne law back here with an amendment, disagreed to every word that was brought back here, and there was not a word of agreement between the two Houses then.

Mr. HILL. Mr. Speaker——

The SPEAKER. Does the gentleman from Alabama yield to the gentleman from Connecticut?

Mr. UNDERWOOD. No; I will ask my friend to excuse me, as I wish to conclude this statement as soon as possible, and my argument is directed to the Speaker.

Now, of course I do not dispute the fact that where there has been an agreement on a bill, and there is merely a change in figures, as often happens in an appropriation bill, the conferees can not go below the lowest rate or above the highest rate, because up to that point there has been an agreement. The disagreement lies between the two rates. Or, where language has been inserted in one House and agreed to in the other House the conferees can not change it. But, as I said to the Speaker, the Senate amendment brought all of Schedule K of the Payne bill before this House, because it brought in an amendment to that schedule, and we disagreed to that amendment.

Mr. Speaker, the precedents are clear. I call the attention of the Speaker to the Rules and Practices of the House of Representatives, page 278, paragraph 536, where it states that the conferees can not change language agreed to by the two Houses. But at the latter part of section 536 it says:

Under certain circumstances managers may report an entirely new bill on a subject in disagreement, but this bill is acted on as part of the report.

Now, turning over to page 279, paragraph 539, the latter part of that paragraph says:

Managers may not change the text to which both Houses have agreed. But where the amendment in issue strikes out all of the bill after the enacting clause and substitutes a new text, the managers have the whole subject before them and may exercise a broad discretion as to details, and may even report an entirely new bill on the subject.

I call the attention of the Speaker to that language. Now, what is the subject? That statement is borne out by Hinds' Precedents, sections 6421, 6423, and 6424—Republican precedents, cited by Republican Speakers—in which they say:

But where the amendment strikes out all of the bill after the enacting clause and substitutes a new text, the managers have the whole subject before them and may exercise a broad discretion as to details, and may even report an entirely new bill on the subject.

How could it be broader than that?

Mr. McCALL. Mr. Speaker——

Mr. UNDERWOOD. I do not care to yield.

The SPEAKER. The gentleman declines to yield.

Mr. UNDERWOOD. How could it be broader than that? What was the subject before the conferees? The subject matter was the amendment of the entire Schedule K. That entire Schedule K was before the conferees. There was not a line of it agreed to between the two Houses. The precedents say we may write an entirely new bill. Mr. Speaker, we were compelled to write an entirely new bill. When the Senator from Wisconsin [Mr. LA FOLLETTE] insisted on one rate on raw wool and the House conferees insisted on another rate on raw wool, and we could not agree on either rate and it came to a compromise, a compromise not entirely satisfactory to the House conferees or entirely satisfactory to the Senate conferees, but an effort on the part of both conferees to reach a rate by which a bill could be written on the statute books to relieve the people of the United States from unjust taxation, we had to write a new bill.

It was all we could do. After we changed the rate on raw wool, which is the basis for any wool bill, we had to readjust the rates on the finished products to conform to the duty on raw wool.

Mr. MANN. Will the gentleman yield?

Mr. UNDERWOOD. I do not like to yield. If I yield to the gentleman from Illinois after having refused to yield to other gentlemen, it looks discourteous; but the gentleman from Illinois made the point of order, and I suppose I will have to yield.

Mr. MANN. I would like to ask the gentleman whether the Senate conferees insisted on raising the rates which the Senate had fixed at 10 per cent ad valorem to 29 per cent ad valorem or a higher rate?

Mr. UNDERWOOD. My friend is going outside the question of the point of order and going into the politics of the case.

Mr. MANN. The gentleman said that he had to yield to the Senate conferees.

Mr. UNDERWOOD. I will state to my friend very broadly both questions. We wrote the tax on raw wool for revenue purposes. We would not have written any tax on raw wool if the exigencies of the Government did not require the revenue. [Applause on the Democratic side.] The Senate wrote the tax on raw wool for protection purposes. Now, from a protection standpoint, you could write a low tax on noncompetitive wool and a high tax on competitive wool and not violate your principles. But if you attempted to write a low tax on noncompetitive wool and a high tax on competitive wool for the purpose of protection, we would have written on the face of our bill that we believed in the Republican doctrine of protection, and we could not do so. [Applause on the Democratic side.] That is the reason.

Mr. MANN. You increased the rates.

Mr. UNDERWOOD. That is the reason we insisted on a uniform rate. A uniform rate on noncompetitive wool and competitive wool is the only rate upon which a Democratic House can write a tax on raw wool, and the only basis on which it will write a tax on raw wool. [Applause on the Democratic side.]

Mr. MONDELL. Mr. Speaker——

The SPEAKER. The Chair will hear the gentleman from Wyoming very briefly.

Mr. MONDELL. Mr. Speaker, I desire to submit for the consideration of the Chair a very brief suggestion with regard to the duty on raw wool as affected by the conference report.

The gentleman from Illinois has called attention to the fact that the duty on third-class, or carpet wool, in the Underwood bill was 20 per cent and in the La Follette bill 10 per cent; that the conferees bring in a report proposing a rate of 29 per cent. It may be argued that inasmuch as there are various classes of wool the conferees were within their authority if the rate they proposed, applying as it does to all classes of wool, was not higher than the highest average rates contained in one or the other of the measures in conference. The fact is, however, that the report of the conferees proposing 29 per cent duty on all classes of wool proposes a rate 5¼ per cent higher than the average rate contained in the higher of the two measures, to wit, the La Follette bill. The importations of wool last year of classes 1 and 2 was approximately 143,000,000 pounds and of class 3 120,000,000 pounds. So that class 3 wool constituted about 45 per cent of the importations.

In the La Follette bill third class or carpet wool was made dutiable at 10 per cent and wool of classes 1 and 2 at 35 per cent, making an average on the basis of last year's importations of 23¾ per cent ad valorem on all wool imported. So that even though it might be held that the conferees were within their rights in the matter of the tariff on wool, if they did not bring in a rate which on the average was higher than the highest rates in either measure; the fact is that the rate they have agreed to is, as I have stated, 5¼ per cent more than the average rate in the La Follette bill, and therefore clearly beyond the authority of the conferees.

Mr. Speaker, I do not wish it understood that I object to the conferees having brought in a wool bill with a higher rate than that proposed either in the House or in the Senate. Rather do I congratulate the majority that in view of the coming report from the Tariff Board, and in the shadow of an impending veto they have seen somewhat of light and have become in a measure converted to the Republican doctrine of protection.

I realize, of course, that in fact there is no such conversion; that the Democratic majority in the House, if it had its way about it, would still insist upon free wool or a 20 per cent duty at the highest, but their action to-day ought to at least foreclose them in the future from demanding a lower rate on raw wool than that to which they have now given their approval.

Mr. McCALL. Mr. Speaker, the gentleman from Alabama [Mr. UNDERWOOD] in what he said to the House very obviously neglected to distinguish between a revenue bill and other kinds of legislation. I should be very sorry to hear the chairman of the Committee on Ways and Means, who is peculiarly the custodian of the constitutional prerogative of the House, admit that the Senate has the right to strike out all after the enacting clause of a revenue bill and substitute a bill of its own. That would reduce the prerogative of the House to originate the bills simply to originate the mere number, and the gentleman would be conceding to the Senate the power to take away this great constitutional prerogative, which was thought so essential to be given to the Representatives of the people. The Senate, as he says, has originated a new bill. They have struck out all after the enacting clause and have put in a bill entirely of their own, and that confers the power to originate revenue bills upon a new body, because he said under that condition of things the conferees might originate a revenue bill. I think it is time that the House should stand upon its prerogatives. I believe

that the Senate has exceeded its power, that the conferees have exceeded their power, and that this conference report should be held not in order.

Mr. LONGWORTH. Mr. Speaker, I want to speak only of that feature of this report relating to the date. The gentleman from Alabama [Mr. UNDERWOOD] says that by virtue of the Senate striking out the entire House bill and substituting an amendment of Schedule K, therefore Schedule K is the matter in conference. Schedule K says nothing about the date at which this law shall take effect. The House and the Senate, however, both have. The House has said that whatever wool bill it passes shall take effect on the 1st of January. The Senate has said that whatever bill it passes shall take effect on the 1st of January. The conferees, however, have changed that; have gone entirely beyond Schedule K, or any kind of a wool bill at all, and have decided this law shall take effect on the 1st of October.

The SPEAKER. Let the Chair ask the gentleman from Ohio a question, strictly for information. Suppose it turns out that there is a long line of precedents to the effect that where everything after the enacting clause is stricken out the whole subject goes to the conferees, and they can do as they please with it, even to the extent of bringing in a new bill; does the gentleman think that they could not change the date of it as easily as they could change the substance of it?

Mr. LONGWORTH. It seems to me, Mr. Speaker, that in this case, leaving out all technicalities as to what changes might be made, where one House has said that whatever law on the subject it shall pass shall take effect on a certain date and the other House when called upon to act upon that has said also that any proceeding that that House may take shall take effect on the same date, that that matter is not and can not be construed in any way to be a matter of disagreement between the two Houses. It seems to me that that is at least the spirit if not the letter of this rule.

Mr. FITZGERALD. Mr. Speaker, I believe that the gentleman from Illinois [Mr. MANN] confuses this case with a case that is common in the practice of the House. The House frequently passes a bill carrying certain items and a number of appropriations, and the Senate amends by striking out the amount appropriated and inserting a different amount. Then, unquestionably, the difference between the Houses is the difference between the two amounts. One is stated by the House and the other is stated by the Senate. In this instance the House passed a bill to reduce the duty on woolen goods, and one of the paragraphs of the bill repeals all laws in conflict with the provisions of the House bill. The Senate struck out all after the enacting clause and inserted practically a new bill purporting to reduce the duties on woolen goods.

There is a precedent, not very old; very recent. It is found in section 6424, volume 5, Hinds' Precedents, and I shall read from it.

The SPEAKER. From where is the gentleman reading?

Mr. FITZGERALD. Page 732, volume 5, Hinds' Precedents:

After debate the Speaker said:

"The Senate during the last session passed an act entitled 'An act to amend an act entitled "An act to regulate the immigration of aliens into the United States,"' etc.

"This Senate bill was broad in its provisions and substantially amended the immigration laws then in force. It was very general in its nature, as will be found upon examination. The bill came to the House. The House struck out all of the Senate bill after the enacting clause by way of amendment and passed a substitute therefor. So that the House entirely disagreed with every line, with every paragraph, with every section of the Senate bill—everything except the enacting clause—and proposed a substitute therefor, and this substitute on examination is found to be a complete codification and amendment of existing immigration laws, and incidentally the labor laws connected therewith, especially those dealing with contract labor, and with many other questions to which it is not necessary to refer. * * *"

Again:

The House substitute by way of amendment went to the Senate. The Senate disagreed to every line, paragraph, and section of the House provision, and with that disagreement to the Senate provision, and with the House provision in effect a disagreement to the original Senate bill, the whole matter went to conference. That is, by this action there was committed to conference the whole subject of immigration, and, as connected therewith, the prohibition of immigration by way of contract labor in the fullest sense of the words. * * * The Chair has not had time to hunt up all the provisions of the immigration laws of the country, but the repealing clause, with the exception as proposed by the House and the disagreement of the Senate, sends this whole matter, in the opinion of the Chair, to the conferees.

That decision was rendered by Mr. Speaker CANNON in the second session of the Fifty-ninth Congress. This case is exactly similar, although the procedure was the reverse. In that case a bill passed by the Senate came to the House and the House struck out all after the enacting clause and inserted an entirely new bill. The bill went back to the Senate, the Senate disagreed to the House amendment, and the bill was sent to conference. In this instance the House passed a bill which went to the Senate; the Senate struck out all after the enacting clause and sent back an entirely new bill to the House. The House disagreed to the Senate amendment. In both the Senate bill and in the House bill there was a clause repealing all laws affecting the duties on wool and manufactures of wool, so that the entire question of duties upon wool and woolen goods is sent into conference. The gentleman from Illinois [Mr. MANN] bases his argument largely upon the fact that in the report of the managers on the part of the House the language relating to the duties on certain kinds of carpets, tapestry Brussels carpets, velvet carpets, and tapestry velvet carpets is identical in the House bill and in the Senate substitute, but there is this great distinction, Mr. Speaker. In the House bill there is a paragraph on page 4, section 13, fixing the duty on velvet, tapestry velvet carpets, and so forth.

Then, in paragraph 14, it fixes the duty on tapestry, Brussels carpet, figured or plain, and so forth. In the Senate substitute the classification is entirely changed, and these carpets, instead of being separately classified, are classified with a number of other kinds of woolen manufactures. While the particular language used may be identical, as the Senate disagreed to every line, in the language of Mr. Speaker CANNON, and every paragraph of the House bill, and the House disagreed to every line and every paragraph of the Senate amendment, there was no agreement upon any particular language or upon any language affecting any rate.

The gentleman's point of order would have applied if the Senate had taken the House bill and, as one of the amendments thereto in paragraph 13, had stricken out "35 per cent ad valorem" and inserted "forty" or "thirty-eight," and then the managers, representing both Houses, had inserted a higher percentage than found either in the House paragraph or the proposed amendment to the House paragraph; but in this instance there is agreement neither upon the House paragraph nor upon the Senate paragraph. The entire question of the duty on wool or woolen manufactures, by reason of the proposed repeal of the existing law, is thrown into conference, and the conferees, I understand from an examination of the report, have made an entirely different classification from that contained either in the House bill or in the Senate substitute and have fixed a rate of duty thereon.

Mr. LONGWORTH. I want to ask the gentleman just this question. Does the gentleman believe it would have been in the power of the conferees to fix the date of the taking effect of this bill in 2011 instead of 1911?

Mr. FITZGERALD. Unquestionably.

Mr. LONGWORTH. They would have had that right?

Mr. FITZGERALD. Certainly.

Mr. LONGWORTH. In other words, they would have had the right to destroy the bill utterly, no matter what?

Mr. FITZGERALD. The Democratic House would not have been so idiotic as to agree to it, no matter what might have been done by the Republicans. [Laughter.]

Mr. LONGWORTH. That is a question I do not care to bring into the conference.

Mr. FITZGERALD. The House had in the bill a provision fixing a time at which this law, if enacted, should go into effect. The Senate by striking out that provision had disagreed to it. Then the Senate inserted a provision fixing the time at which the law should go into effect, and the House disagreed to the proposition of the Senate. The only question sent into conference, so far as that is concerned, is the time when the law should go into effect. The entire matter is within the control and jurisdiction of the conferees. In the decision to which I have called attention, Mr. Speaker CANNON referred to another precedent which he held was not in point. That was a case in which a claims bill had come from one body to the other, and specific items in the bill had been thrown into disagreement, and the conferees had inserted in their report a number of items not germane, and which could not under any possibility be considered within the control or jurisdiction of the conferees. But in this case under this decision every question affecting the reduction of duties on wool and manufactures of wool was thrown into conference and within the control of the managers upon the part of the House, and under the precedent established in 1907 it seems to be clear that so long as the conferees did not include anything other than provisions affecting the duties on wool and woolen goods they were clearly within their rights.

Mr. MANN. Mr. Speaker, just a word. I appreciate the difference between a case where the Senate simply amends the amount fixed by the House in a bill or amends the language of the House bill and a case where the Senate strikes out all after the enacting clause and inserts a new bill. And I realize that where the latter action is taken it gives to the conferees a very broad latitude of discretion in formulating a new bill. But let us see where the logic of the gentleman from Alabama [Mr.

UNDERWOOD] and the gentleman from New York [Mr. FITZGERALD] leads.

Suppose when we pass the sundry civil appropriation bill, which covers everything possible under the Government, the Senate strikes out all after the enacting clause and inserts the same language as the House bill with a few variations in amount, does anyone contend, much less the chairman of the Committee on Appropriations, that that would authorize the conferees to increase the amounts over the amounts fixed either in the House or the Senate bill, or to include entirely new propositions which had never been considered either by the House or the Senate, because they might have been included in a sundry civil appropriation bill? Suppose when we pass the public-building bill or the river and harbor bill the Senate strikes out all after the enacting clause. Does anyone contend that that would give to the conferees power to change the amounts, which were the same in the House and the Senate bills, and that if the House had provided for a public building at Jonesboro to cost $100,000 and the Senate had provided for a public building at Jonesboro to cost $100,000 that the conferees could authorize a public building at Smithville to cost $250,000?

The pretense is ridiculous when you carry it to its logical end. The conferees had a broad power over the woolen schedule, but where the House had fixed a rate on a certain article of wool or woolen goods and the Senate had fixed the same rate, both Houses had agreed upon that rate. In Jefferson's Manual—and I do not know whether it is proper to quote it in a Democratic House after it was ruled out of order the other day [laughter on the Republican side]—in Jefferson's Manual, Jefferson quotes approvingly a statement, on page 272:

So the Commons resolved that it is unparliamentary to strike out, at a conference, anything in a bill which hath been agreed and passed by both Houses.

These items have been agreed to and passed by both Houses, some of them in precisely the same language. The conferees have no more right to change that than they would have to change the amount in a public-building bill where both bodies had agreed to the same or to change an amount in any other appropriation bill. The House, when it agrees to a conference, has a right to know that the conferees will confine themselves to the points in disagreement, because in no other way can the House protect its integrity and prevent in the end, in some cases, improper influences being used upon the conferees. The conference report is a whole. If the conferees insert an item, it can not be differentiated from others except upon a point of order, and where conferees claim the power to make a new bill, both Houses having agreed to the same item, and they present a new proposition, it lays the conferees open to the suspicion of undue influences; and that ought not to be permitted, and the rules ought to be observed in a way which would not permit it.

Why was the rate on Angora goat hair raised from 20 per cent, as fixed by the House, and 10 per cent, as fixed by the Senate? Whose influence was that? Why was the rate on hair goods raised from 40 per cent, as fixed by the House, and 35 per cent, as fixed by the Senate, to 49 per cent? Whose influence was that? Is that light upon the conferees, or is it influence? I fear it was influence. [Applause on the Republican side, and cries of "Rule!" "Rule!"]

The SPEAKER. The Chair is ready to rule.

Mr. HILL. Mr. Speaker, I desire to say a few words, and they will be very brief. I believe, under the Constitution of the United States, the House has the right to originate revenue legislation. I believe the claim made by the chairman of the committee on the other side is utterly destructive of that principle. I care not for all the precedents, or anything of that kind. I have observed, in 17 years' service in this House, that precedents are quoted according to the necessity for sustaining a decision. I have more faith in the good, sound common sense of the Speaker of this House than to believe that he will consent to a proposition that, where the House has said that the bill shall go into effect on the 1st of January next, and where the Senate has said that the bill shall go into effect on the 1st of January next, a conference committee can change the date fixed by both Houses and put it on the 1st of October. If so, the power of this House has gone, and legislation is transferred inevitably to its conference committees in the future. [Applause on the Republican side.]

The SPEAKER. The Chair is ready to rule. The desire of the present occupant of the chair is to rule fairly; and, so far as I am individually concerned, I would rather have it said of me, after I have finally laid down the gavel, that I was the fairest Speaker that the House ever had than that I was the greatest.

The gentleman from Wisconsin last Saturday made a remark which deserves the consideration of the House, and that was that no Speaker could afford to render a decision for temporary benefit to his party fellows without considering the ultimate and general effect of it. That is absolutely true.

The Chair thoroughly agrees with one proposition of the gentleman from Connecticut [Mr. HILL]—that the House originates revenue measures; and the Chair thinks that the first House of Representatives that ever sat ought to have determined that the Senate could not substitute a new tariff bill for one passed by the House. [Applause.] But they have been going on in that course for 122 years. If I can get one House of Representatives which will agree to stay here for two years, I shall be perfectly willing to tackle the Senate on that proposition. [Applause.]

Mr. MANN. We will stay.

SEVERAL MEMBERS. We are with you.

The SPEAKER. The particular matter at bar seems to have been differentiated into two classes by previous Speakers: One, where the dispute between the two Houses is simply a dispute about rates or about amounts, and the other where one House strikes out everything after the enacting clause and substitutes an entirely new bill.

The Chair has no doubt whatever that at least one contention of the gentleman from Illinois [Mr. MANN] is correct. That is, that if it is a mere squabble about amounts or rates, the conferees can not go above the higher amount or rate named in one of the two bills or lower than the lower rate named in one of the two bills. But that is not this case. In this case the Senate struck out everything after the enacting clause and substituted a new bill. Last Saturday there did not seem to be any precedents to fit the point under consideration. This time, fortunately for the Chair at least, four great Speakers of this House have ruled on the proposition involved—Mr. Speaker Colfax, who was subsequently Vice President; Mr. Speaker Carlisle, subsequently Senator and Secretary of the Treasury; Mr. Speaken Henderson, and Mr. Speaker CANNON. The Chair does not know anything about the parliamentary clerks to Mr. Speaker Colfax and Mr. Speaker Carlisle, but the Chair is fully persuaded that every Member of this House who has served in prior Congresses will agree that Mr. Speaker Henderson and Mr. Speaker CANNON had the advantage of being advised by one of the most skillful parliamentarians in this country, the present Member from Maine [Mr. HINDS]. [Applause.]

All four of these Speakers, three Republicans and one Democrat, have passed on this question, and they have all ruled that where everything after the enacting clause is stricken out and a new bill substituted it gives the conferees very wide discretion, extending even to the substitution of an entirely new bill. The Chair will have three of these decisions read, and will have the decision of Mr. Speaker CANNON, just read by the gentleman from New York [Mr. FITZGERALD], incorporated into this opinion, because the question ought to be definitely settled during the life of this Congress at least. The Chair will first have the decision of Mr. Speaker Colfax read, and the Clerk will announce the volume and section of Hinds' Precedents.

The Clerk read as follows:

Hinds' Precedents, volume 5, section 6421:

"Where one House strikes out all of the bill of the other after the enacting clause and inserts a new text, and the differences over this substitute are referred to conference, the managers have a wide discretion in incorporating germane matters, and may even report a new bill on the subject. On March 3, 1865, Mr. Robert C. Schenck, of Ohio, from the committee of conference on the disagreeing votes of the two Houses on the bill (H. R. 51) entitled 'An act to establish a bureau of freedman's affairs,' reported that the Senate had receded from their amendment, which was a substitute, and the committee had agreed upon, as a substitute, a new bill, entitled 'An act to establish a bureau for the relief of freedmen and refugees.'

"As soon as the report had been read, Mr. William S. Holman, of Indiana, made the point that the report did not come within the scope of the conference committee. It did not report the proceedings of the Senate or an agreement by the committee on an amendment to the Senate's amendment to the House bill, but it reported an entire substitute for both the original bill and the substitute adopted by the Senate, and it established a department unprovided for by either of the other bills."

The Speaker [Mr. Colfax] said:

"The Chair understands that the Senate adopted a substitute for the House bill. If the two Houses had agreed upon any particular language or any part of a section, the committee of conference could not change that; but the Senate having stricken out the bill of the House and inserted another one, the committee of conference have the right to strike out that and report a substitute in its stead. Two separate bills have been referred to the committee, and they can take either one of them or a new bill entirely, or a bill embracing parts of either. They have a right to report any bill that is germane to the bills referred to them."

On an appeal the Chair was sustained—yeas 89, nays 35.

The SPEAKER. The Clerk will now read the ruling of Mr. Speaker Carlisle.

The Clerk read as follows:

Section 6422 of Hinds' Precedents, volume 5:

"6422. On August 3, 1886, the House had under consideration the report of the committee of conference on the river and harbor bill.

"Mr. William M. Springer, of Illinois, made the point of order that the conferees had included new matter in their report.

"The Speaker (Mr. Carlisle) ruled:

"The House passed a bill to provide for the improvement of rivers and harbors and making an appropriation for that purpose. That bill was sent to the Senate, where it was amended by striking out all after the enacting clause and inserting a different proposition in some respects, but a proposition having the same object in view. When that came back to the House it was treated, and properly so, as one single amendment and not as a series of amendments as was contended for by some gentlemen on the floor at the time.

"It was nonconcurred in by the House and a conference was appointed upon the disagreeing votes of the two Houses. That conference committee having met, reports back the Senate amendment as a single amendment with various amendments, and recommends that it be concurred in with the other amendments which the committee has incorporated in its report. The question, therefore, is not whether the provisions to which the gentleman from Illinois alludes are germane to the original bill as it passed the House, but whether they are germane to the Senate amendment which the House had under consideration and which was referred to the committee of conference. If germane to that amendment, the point of order can not be sustained on the ground claimed by the gentleman from Illinois. The Chair thinks they are germane to the Senate amendment, for, though different from the provisions contained in the Senate amendment, they relate to the same subject, and therefore the Chair overrules the point of order."

The SPEAKER. The Clerk will read the decision by Mr. Speaker Henderson.

The Clerk read as follows:

Section 6423, volume 5, Hinds' Precedents:

"6423. On February 25, 1901, Mr. GILBERT N. HAUGEN, of Iowa, presented the report of the committee of conference on the disagreeing votes of the two Houses on the bill (S. 2799) to carry into effect the stipulations of article 7 of the treaty between the United States and Spain, concluded on the 10th day of December, 1898.

"The conferees recommended that the House recede from its amendment, which was in the nature of a substitute, striking out all after the enacting clause and inserting a new text; and they further recommended that the House agree to the Senate text with certain specified amendments.

"Mr. OSCAR W. UNDERWOOD, of Alabama, made a point of order that the conferees had exceeded their authority and incorporated in their report matters not in difference between the two Houses. The House text had substituted reference to the Court of Claims instead of to the commission proposed by the Senate text. The conferees not only recommended the adoption of the Senate text, but had enlarged the provisions of it, making the number of commissioners five instead of three, although, he asserted, there was no issue between the two Houses on this point, and also materially changing the Senate text in those portions relating to the right of appeal.

"After debate the Speaker [Mr. Henderson] held:

"The current of authorities in regard to the action of the conferees is that they must be held strictly to the consideration of such matters as are in issue between the two Houses. That is the general governing principle, and a most valuable one, and a necessary one. In this case, however, the Chair sees no difficulty. As stated by the gentleman from Pennsylvania [Mr. Mahon], the Senate presents a proposition for a commission; the House turns that down, so to speak, and adopts an amendment, by way of substitute, providing that these Spanish claims shall be referred for determination to the Court of Claims. In other words, the Senate contends for a commission, the House for the Court of Claims. The method of treating these Spanish claims is thus put in issue. The House, when it sent over to the Senate its amendment by way of substitute, said: 'We will not entertain your method; we have a better one; we offer you a substitute whereby these matters shall be referred to the Court of Claims instead of a commission.' That puts in issue every question bearing upon this controversy between the two Houses. The able remarks of the gentleman from Alabama [Mr. UNDERWOOD] have not suggested a single question that is not brought in issue between the two Houses in the present position of this question. The conferees have not gone beyond the matters in issue. On this point the Chair will ask the Clerk to read from the Parliamentary Precedents of the House of Representative, section 1420, a decision made by Speaker Colfax.

"The section having been read, the Speaker concluded:

"The House will readily see that the precedent just read bears strongly on this question, although in the present case the conferees have not gone so far as they did in that case. There is nothing here that is not germane to the main issue. In reference to no matter in controversy between the two Houses have the conferees attempted to trench upon or change a single expression that the two Houses have agreed upon. The Senate sends to this House a bill for which the House presents a substitute, and the report of the conferees seeks only to treat the matters in issue. The Chair feels clear that he is justified in overruling the point of order. The question is on agreeing to the report."

The SPEAKER. The Clerk will now read the decision by Mr. Speaker CANNON.

The Clerk read as follows:

Section 6424, volume 5, Hinds' Precedents:

"6424. Where the disagreement is as to an amendment in the nature of a substitute for the entire text of a bill, the managers have the whole subject before them and may exercise a broad discretion as to details.

"A point of order against a conference report should be made or reserved after the report is read and before the reading of the statement.

"On February 18, 1907, Mr. William S. Bennet, of New York, submitted the report of the managers of the conference on the bill (S. 4403) entitled 'An act to amend an act entitled "An act to regulate the immigration of aliens into the United States," approved March 3, 1903.'

"Before the report was read Mr. JOHN L. BURNETT, of Alabama, proposed to reserve a point of order.

"The Speaker said:

"The Chair will state to the gentleman from Alabama, who desired to reserve points of order, that it is the impression of the Chair that the point of order, if any is made, is in time after the report is read; but if the gentleman desires, out of abundant caution, he may reserve at this time points of order. * * * All points of order are reserved. The proper time to reserve points of order, as the Chair is informed, on conference reports is after the conference report is read and before the statement is read."

The report having been read, a point of order was made by Mr. BURNETT, who insisted that the managers had exceeded their authority in inserting the following provisions:

"*Provided further*, That whenever the President shall be satisfied that passports issued by any foreign government to its citizens to go to any country other than the United States or to any insular possession of the United States or to the Canal Zone are being used for the purpose of enabling the holders to come to the continental territory of the United States, to the detriment of labor conditions therein, the President may refuse to permit such citizens of the country issuing such passports to enter the continental territory of the United States from such other country or from such insular possessions or from the Canal Zone."

And in another portion of the report the following:

"SEC. 42. It shall not be lawful for the master of a steamship or other vessel wherein immigrant passengers, or passengers other than cabin passengers, have been taken at any port or place in a foreign country or dominion (ports and places in foreign territory contiguous to the United States excepted) to bring such vessel and passengers to any port or place in the United States unless the compartments, spaces, and accommodations hereinafter mentioned have been provided, allotted, maintained, and used for and by such passengers during the entire voyage; that is to say, in a steamship the compartments or spaces, unobstructed by cargo, stores, or goods, shall be of sufficient dimensions to allow for each and every passenger carried or brought therein 18 clear superficial feet of deck allotted to his or her use, if the compartment or space is located on the main deck or on the first deck next below the main deck of the vessel, and 20 clear superficial feet of deck allotted to his or her use for each passenger carried or brought therein if the compartment or space is located on the second deck below the main deck of the vessel: *Provided*, That if the height between the lower passenger deck and the deck immediately above it is less than 7 feet," etc. (continuing in detail).

After debate, the Speaker (Mr. CANNON) held:

"The Senate during the last session passed an act entitled 'An act to amend an act entitled "An act to regulate the immigration of aliens into the United States,"' etc.

"This Senate bill was broad in its provisions and substantially amended the immigration laws then in force. It was very general in its nature, as will be found upon examination. The bill came to the House. The House struck out all of the Senate bill after the enacting clause, by way of amendment, and passed a substitute therefor. So that the House entirely disagreed with every line, with every paragraph, with every section of the Senate bill—everything except the enacting clause—and proposed a substitute therefor, and this substitute, on examination, is found to be a complete codification and amendment of existing immigration laws and, incidentally, the labor laws connected therewith, especially those dealing with contract labor, and with many other questions to which it is not necessary to refer. And in the final clause of the House substitute there is the provision:

"'That the act of March 3, 1903, being an act to regulate the immigration of aliens into the United States, except section 34 thereof, and the act of March 22, 1904, being an act to extend the exemption from head tax to citizens of Newfoundland entering the United States, and all acts and parts of acts inconsistent with this act are hereby repealed: *Provided*, That this act shall not be construed to repeal, alter, or amend existing laws relating to the immigration or exclusion of Chinese persons,' etc.

"So that not only does the House by its substitute amendment codify and amend all the laws touching immigration, but incidentally changes those relating to labor, especially contract labor. The House substitute is found to be abounding in section after section with the prohibition of contract labor in connection with immigration, and with various other provisions of a similar nature.

"The House substitute, by way of amendment, went to the Senate. The Senate disagreed to every line, paragraph, and section of the House provision; and with that disagreement to the Senate provision, and with the House provision in effect a disagreement to the original Senate bill, the whole matter went to conference. That is, by this action there was committed to conference the whole subject of immigration, and, as connected therewith, the prohibition of immigration by way of contract labor in the fullest sense of the words. * * * The Chair has not had time to hunt up all the provisions of the immigration laws of the country, but the repealing clause, with the exception as proposed by the House and the disagreement of the Senate, sent this whole matter, in the opinion of the Chair, to the conferees.

"Now, then, there is but one provision that is seriously contended for in the point of order that is made, and that is to be found on page 2 of the House conference report, No. 6607, and is as follows:

"'That whenever the President shall be satisfied that passports issued by any foreign government to its citizens to go to any country other than the United States or to any insular possession of the United States or to the Canal Zone are being used for the purpose of enabling the holders to come to the continental territory of the United States to the detriment of labor conditions therein, the President may refuse to permit such citizens of the country issuing such passports to enter the continental territory of the United States, from such other country or from such insular possessions or from the Canal Zone.'

"Now, then, one of the principal efforts in legislation heretofore have been to exclude labor that is brought in under contract or is promoted, so to speak; and the very reason of that legislation has been and is that the labor conditions in the United States should not be affected unfavorably. Three sections of the House substitute deal expressly with that question. It is not like unto the precedent cited by the gentleman from Mississippi, which was made by the ruling of Mr. Speaker Henderson. The only thing there was a disagreement between the House and the Senate as to certain specified claims, and between the Senate and House as to certain other specified claims. The conferees in that case, taking in the whole sea or ocean of claims, from the birth of Christ to the supposed death of the man with hoofs and horns, picked out a number of claims that the House or Senate never had heard of or dealt with and put them in the conference report, and Mr. Speaker Henderson properly sustained the point of order to the conference report. The Chair has no difficulty nor any hesitation in

holding that this is germane first; and, second, that it comes within the scope of the disagreement between the House and Senate as affects immigration on the one hand and the interest of labor on the other, and therefore overrules the point of order."

Mr. Burnett having appealed, the appeal was laid on the table on motion of Mr. SERENO E. PAYNE of New York, by a vote of yeas 198, nays 104.

The SPEAKER. It will be observed from one of these decisions that in days gone by the gentleman from Alabama [Mr. UNDERWOOD] had the other end of this question than the one he has to-day [laughter], and that he was overruled. In view of this long line of decisions by illustrious Speakers, the Chair overrules the point of order of the gentleman from Illinois [Mr. MANN]. [Applause on the Democratic side.]

Mr. UNDERWOOD. Mr. Speaker, I move the adoption of the conference report.

The SPEAKER. The Chair will suggest to the gentleman that the statement of the conferees has not yet been read. Does he desire to have that read?

Mr. UNDERWOOD. I do not care to have the statement read.

Mr. PAYNE. Mr. Speaker, I will ask the gentleman if there is to be any arrangement about debate?

Mr. UNDERWOOD. Mr. Speaker, I was just about to state that I understand if the previous question is ordered there will be 20 minutes debate on each side.

Mr. PAYNE. I did not understand the gentleman to move the previous question. Several gentlemen on this side would like to be heard.

Mr. UNDERWOOD. I am perfectly willing to have that length of time for debate. I do not think there is any necessity for delaying the House on this conference report, however. Everybody knows what is in it, and knows all about it. Twenty minutes on a side will enable the gentleman from New York and myself to present the case.

Mr. PAYNE. No gentleman in the House knows the reason for any of it.

Mr. UNDERWOOD. Well, I will agree with the gentleman that we have an hour's debate, each side to control half an hour.

Mr. MANN. Would not the gentleman agree to two hours' debate and then that the previous question shall be considered in operation? That would close debate at 4 o'clock.

Mr. UNDERWOOD. We have had some debate already. If I move the previous question I will cut off debate. I will announce——

Mr. MANN. I do not think that is the case. There has been no debate on this proposition.

Mr. UNDERWOOD. Unless the gentlemen are willing to agree to debate of an hour on the bill, I will move the previous question, which will give them 20 minutes on their side and give us 20 minutes on our side.

Mr. MANN. That is only 10 minutes more. Would not the gentleman concede an hour on a side and then have the previous question operate?

Mr. UNDERWOOD. I would be very glad if there was anything to debate about.

Mr. MANN. But we think there is.

Mr. PAYNE. The gentleman must appreciate that this is the first time that an entirely new revenue bill has ever originated in a conference committee.

Mr. UNDERWOOD. If the gentleman wants an hour, half an hour on each side, I will agree to it, and if not, I will move the previous question.

Mr. MANN. Oh, we do not care to be cut off in that way.

Mr. UNDERWOOD. Then, Mr. Speaker, I move the previous question.

The SPEAKER. The question is on ordering the previous question.

Mr. MANN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 170, nays 118, answered "present" 9, not voting 88, as follows:

YEAS—170.

Adair	Buchanan	Cox, Ohio	Doughton
Adamson	Bulkley	Cravens	Driscoll, D. A.
Aiken, S. C.	Burke, Wis.	Cullop	Dupre
Alexander	Burleson	Curley	Edwards
Allen	Burnett	Daugherty	Ellerbe
Ashbrook	Byrnes, S. C.	Davenport	Evans
Barnhart	Callaway	Davis, W. Va.	Faison
Bartlett	Carlin	Dent	Ferris
Bathrick	Clark, Fla.	Denver	Fields
Beall, Tex.	Claypool	Dickinson	Finley
Bell, Ga.	Clayton	Dickson, Miss.	Fitzgerald
Blackmon	Cline	Dies	Flood, Va.
Booher	Collier	Difenderfer	Floyd, Ark.
Borland	Connell	Dixon, Ind.	Foster, Ill.
Brantley	Conry	Donohoe	Fowler
Brown	Cox, Ind.	Doremus	Francis
Gallagher	Jacoway	Pepper	Smith, N. Y.
Garner	Johnson, Ky.	Peters	Sparkman
Garrett	Johnson, S. C.	Post	Stedman
George	Kent	Pou	Stephens, Miss.
Godwin, N. C.	Kinkead, N. J.	Pujo	Stephens, Tex.
Goeke	Konop	Raker	Stone
Goldfogle	Korbly	Randell, Tex.	Sweet
Graham	Lamb	Ransdell, La.	Talbott, Md.
Gregg, Pa.	Lee, Ga.	Rauch	Talcott, N. Y.
Gudger	Lee, Pa.	Reilly	Taylor, Ala.
Hamill	Lewis	Richardson	Taylor, Colo.
Hamlin	Littlepage	Roddenbery	Thayer
Hammond	Littleton	Rothermel	Thomas
Hardwick	Lloyd	Rouse	Townsend
Harrison, Miss.	Lobeck	Rubey	Tribble
Hay	McCoy	Rucker, Colo.	Turnbull
Heflin	McDermott	Rucker, Mo.	Tuttle
Helm	Macon	Russell	Underhill
Henry, Tex.	Maguire, Nebr.	Sabath	Underwood
Hensley	Martin, Colo.	Sculiy	Watkins
Holland	Mays	Shackleford	Webb
Houston	Moon, Tenn.	Sharp	Whitacre
Howard	Moore, Tex.	Sheppard	White
Hughes, Ga.	Morrison	Sherwood	Wickliffe
Hughes, N. J.	Moss, Ind.	Sims	Witherspoon
Hull	O'Shaunessy	Sisson	
Humphreys, Miss.	Page	Small	

NAYS—118.

Akin, N. Y.	French	Langley	Prouty
Anderson, Minn.	Fuller	Lenroot	Rees
Barchfeld	Gardner, Mass.	Lindbergh	Reyburn
Bartholdt	Gillett	Loud	Roberts, Mass.
Bates	Good	McCall	Roberts, Nev.
Bingham	Gray	McKenzie	Rodenberg
Bowman	Green, Iowa	McKinley	Slemp
Burke, S. Dak.	Greene, Mass.	McKinney	Sloan
Butler	Hamilton, Mich.	McLaughlin	Smith, J. M. C.
Campbell	Hanna	McMorran	Smith, Saml. W.
Cannon	Hardy	Madden	Speer
Catlin	Harris	Madison	Steenerson
Cooper	Hartman	Mann	Stephens, Cal.
Copley	Haugen	Martin, S. Dak.	Sterling
Crago	Hayes	Miller	Stevens, Minn.
Crumpacker	Heald	Mondell	Switzer
Currier	Henry, Conn.	Moore, Pa.	Taylor, Ohio
Dalzell	Higgins	Morgan	Thistlewood
Danforth	Hill	Morse, Wis.	Towner
Davidson	Howland	Murdock	Utter
Davis, Minn.	Hubbard	Nelson	Volstead
Dodds	Hughes, W. Va.	Norris	Wedemeyer
Draper	Humphrey, Wash.	Nye	Weeks
Driscoll, M. E.	Kahn	Olmsted	Willis
Dwight	Kendall	Patton, Pa.	Wilson, Ill.
Dyer	Kennedy	Payne	Woods, Iowa
Esch	Kinkaid, Nebr.	Pickett	Young, Kans.
Farr	Knowland	Plumley	Young, Mich.
Foss	Kopp	Pray	
Foster, Vt.	La Follette	Prince	

ANSWERED "PRESENT"—9.

Byrns, Tenn.	Guernsey	Longworth	Needham
Carter	Howell	Murray	Padgett
Covington			

NOT VOTING—88.

Ames	Fornes	Latta	Rainey
Anderson, Ohio	Gardner, N. J.	Lawrence	Redfield
Andrus	Glass	Legare	Riordan
Ansberry	Goodwin, Ark.	Lever	Robinson
Anthony	Gould	Levy	Saunders
Austin	Gregg, Tex.	Lindsay	Sells
Ayers	Griest	Linthicum	Sherley
Berger	Hamilton, W. Va.	McCreary	Simmons
Boehne	Harrison, N. Y.	McGillicuddy	Slayden
Bradley	Hawley	McGuire, Okla.	Smith, Tex.
Broussard	Helgesen	McHenry	Stack
Burgess	Hinds	Maher	Stanley
Burke, Pa.	Hobson	Malby	Sulloway
Calder	Jackson	Matthews	Sulzer
Candler	James	Moon, Pa.	Tilson
Cantrill	Jones	Mott	Vreeland
Cary	Kindred	Oldfield	Warburton
De Forest	Kitchin	Palmer	Wilder
Estopinal	Konig	Parran	Wilson, N. Y.
Fairchild	Lafean	Patten, N. Y.	Wilson, Pa.
Focht	Lafferty	Porter	Wood, N. J.
Fordney	Langham	Powers	Young, Tex.

So the previous question was ordered.

The Clerk announced the following pairs:

For balance of day:

Mr. PADGETT with Mr. GARDNER of New Jersey.

Until Monday night:

Mr. MURRAY with Mr. WILDER.

Until Tuesday noon:

Mr. MCGILLICUDDY with Mr. GUERNSEY.

Mr. BYRNS of Tennessee with Mr. AUSTIN.

Mr. HARRISON of New York with Mr. DE FOREST (reserving the right to vote to make a quorum and all votes affecting the vetoes of the President).

Mr. OLDFIELD with Mr. MOON of Pennsylvania (reserving the right to vote to make a quorum and all questions affecting a veto of the President).

Mr. BROUSSARD with Mr. FOCHT (reserving the right to vote to make a quorum and all questions affecting a veto of the President).

Until Thursday noon:
Mr. JAMES with Mr. LONGWORTH (reserving the right to vote to make a quorum and on all votes except vetoes of the President).
Until August 19:
Mr. KONIG with Mr. POWERS.
Until August 19, inclusive:
Mr. REDFIELD with Mr. NEEDHAM (reserving the right to vote to make a quorum and all votes affecting vetoes of the President).
Until Saturday night:
Mr. KITCHIN with Mr. AMES (reserving the right to vote to make a quorum and on all matters except veto of the President).
Until further notice:
Mr. WILSON of Pennsylvania with Mr. VREELAND.
Mr. SHERLEY with Mr. TILSON.
Mr. PALMER with Mr. SIMMONS.
Mr. LINDSAY with Mr. SELLS.
Mr. LEGARE with Mr. PORTER.
Mr. LATTA with Mr. MOTT.
Mr. KINDRED with Mr. MATTHEWS.
Mr. HAMILTON of West Virginia with Mr. MCCREARY.
Mr. GOODWIN of Arkansas with Mr. LAWRENCE.
Mr. GLASS with Mr. LAFFERTY.
Mr. ESTOPINAL with Mr. JACKSON.
Mr. CANDLER with Mr. HELGESEN.
Mr. ANSBERRY with Mr. HAWLEY.
Mr. COVINGTON with Mr. PARRAN.
Mr. GOULD with Mr. HINDS.
Mr. HOBSON with Mr. FAIRCHILD (transferable).
Mr. MCHENRY with Mr. LAFEAN.
Mr. SAUNDERS with Mr. LANGHAM.
Mr. AYRES with Mr. BURKE of Pennsylvania.
Mr. GREGG of Texas with Mr. GRIEST.
Mr. ROBINSON with Mr. WOOD of New Jersey.
Mr. BOEHNE with Mr. CARY.
Mr. LEVY with Mr. ANTHONY.
For balance of the session:
Mr. SULZER with Mr. MALBY (reserving the right to vote to make a quorum and all questions affecting a veto of the President).
Mr. SLAYDEN with Mr. FORDNEY.
Mr. MAHER with Mr. CALDER.
Mr. RAINEY with Mr. HOWELL.
Mr. FORNES with Mr. BRADLEY.
Mr. RIORDAN with Mr. ANDRUS.
Mr. LEVER with Mr. SULLOWAY.
Mr. CANTRILL with Mr. MCGUIRE of Oklahoma.

Mr. PADGETT. Mr. Speaker, I desire to know if the gentleman from New Jersey, Mr. GARDNER, is recorded?

The SPEAKER. He is not recorded.

Mr. PADGETT. I have a pair with the gentleman for to-day, and I wish to withdraw my vote of "aye" and answer "present."

The SPEAKER. Call the gentleman's name.

The name of Mr. PADGETT was called, and he answered "Present."

Mr. MURRAY. Mr. Speaker, I desire to know if the gentleman from Massachusetts [Mr. WILDER] is recorded?

The SPEAKER. He is not recorded.

Mr. MURRAY. I have a pair with the gentleman for to-day, and I wish to withdraw my vote "aye" and answer "present."

The SPEAKER. Call the gentleman's name.

The name of Mr. MURRAY was called and he answered "present."

Mr. BYRNS of Tennessee. Mr. Speaker, I desire to know whether Mr. AUSTIN voted on this roll call? I do not think he did.

The SPEAKER. He did not.

Mr. BYRNS of Tennessee. I voted "aye," and I desire to withdraw my vote and answer "present."

The SPEAKER. Call the gentleman's name.

The name of Mr. BYRNS of Tennessee was called, and he answered "Present."

The result of the vote was announced as above recorded.

The SPEAKER. The gentleman from Alabama is entitled to 20 minutes and the gentleman from New York [Mr. PAYNE] to 20 minutes.

Mr. UNDERWOOD. Mr. Speaker, the conferees' report presents to the House an amendment of Schedule K which we do not claim expresses the Democratic position in reference to a revision of this schedule. If we had had the power to write a tariff bill on Schedule K we would write a lower rate—a much lower rate [applause on the Democratic side] in some particulars—but we have control, so far as our party is concerned, of only one House of Congress, and we are limited in our action by what the other House of Congress is willing to do. The conferees on the part of the House desired a lower rate on raw wool, desired lower rates on manufactured wool; the Senate conferees desired a higher rate on raw wool and higher rates on manufactured wool. Manifestly, if we desired to pass a bill to grant some relief to the American people it was necessary for the House conferees to come to an agreement and yield to some extent to the Senate, as the Senate conferees yielded to some extent to the House. In the classification of the paragraph on raw wool the Senate conferees yielded to the House and agreed to the House classsification. In reference to the classification relating to cloths and women's dress goods and webbing, gorings, beltings, suspenders, and so forth, the House bill had three separate paragraphs at different rates. The Senate bill had one paragraph, and included in that one paragraph also flannels and blankets. We insisted that there should be a very much lower rate on flannels and blankets than there were on cloths and men's dress goods and women's dress goods, because we believe that flannel underwear and flannel blankets represented the needs and the necessities of the poor people of the United States, and for that reason we insisted on a separate classification and a lower rate in reference to blankets and flannels, and the Senate conferees yielded, and, although not agreeing to a rate as low as the House rate, they have agreed to a very much lower rate—11 per cent lower—than they insisted on on cloths and clothing and women's dress goods.

Now, in reference to the classification in the carpet schedule, we had eight or nine different classifications in the House bill. Your conferees finally agreed on three classifications. The Senate bill had only one classification in reference to carpets. We finally yielded and made three classifications in reference to carpets, one embracing that high grade of carpets and rugs that only the very rich are able to buy, and put a high rate of duty, 50 per cent ad valorem, as high as the House bill provided for, on those luxuries. We agreed on a third classification as to carpets embracing the medium grades of carpets that the well-to-do people buy, and put a rate of 40 per cent ad valorem on them, a lower rate on that than the Senate bill. We agreed on a third classification for carpets, those very low grades of carpets that only the poor people are able to buy, and on that classification we put a rate of 30 per cent ad valorem, only raised the rate 5 per cent above the rate in the House bill. So that, having carpets and flannels and blankets very close to the House bill and the raise in the rates in the conference report being largely on the higher grades of goods that the wealthier people of the United States buy, we feel that we have presented to the House a reasonable bill, a bill higher than we would have passed ourselves, but a bill that we can defend before the country and a bill that will bring great relief to the American people. [Applause on the Democratic side.]

As to raw wool, the House rate was 20 per cent. The Senate divided the bill into two classes, embracing in the first class the classes 1 and 2 in the Payne bill, relating to clothing wool, and placed the rate on that class at 35 per cent. That was competitive wool. That was wool that competed with the American flocks. They put a low rate on carpet wools, which are not competitive wools. As your conferee I stated to the Senate committee that the only purpose that we had in levying a rate on raw wool was for revenue, and that if we levied a higher rate on competitive wool and a lower rate on noncompetitive wool, that of necessity recognized the principle of protection in the face of our bill, and I could not agree to it.

The Senate, without yielding their principles, could agree to a uniform rate, because, although they may say that you can put noncompetitive articles on the free list without violation of the principle of protection, yet you can put a revenue duty or any duty on noncompetitive articles and not violate the principle of protection. For that reason the Senate agreed that we should have a uniform rate on raw wool. As I said, our bill called for 20 per cent; their bill called for 35 per cent on the competitive wools, which amounted to about two-thirds of the importations into this country, and 10 per cent on the noncompetitive wools, which amounted to about one-third of the importations into this country. We finally compromised and agreed to take 29 per cent on all raw wool, which was an advance of 9 per cent over the House bill.

The present revenues that are raised under the Payne bill on raw wool amount to $21,128,000. The revenue raised under the House bill was $13,398,000 as estimated. The estimated revenue under the conference report on raw wools amounts to $17,400,000. Now, as to manufactures of wool there is not nearly as much advance in the Senate bill over the House bill as there is in reference to raw wool. In fact, there is only a very reasonable advance on manufactured goods. The imports under the Payne bill were $23,057,000. The duties obtained on manufactures of wool amounted to $20,776,000. The House bill esti-

mated $63,831,000 of imports, with a revenue of $27,157,000. The conference report estimated the importation on manufactures of wool at $51,890,000, about $12,000,000 less than was estimated in the House bill, but it is estimated that the conference report, by reason of the increased rate of duty, will produce $25,094,000, a loss of something over $2,000,000 when compared with the duties obtained by the House bill on manufactures of wool, and a gain of something over $4,000,000 on the duties raised by the Payne bill.

The total revenue that was derived by the Payne bill for the year 1910 amounted to $41,934,000. The estimated revenue raised by the House bill was $40,556,000. The estimated revenue to be derived from the bill reported by the conferees is $42,494,000, an increase of revenue as estimated of nearly $2,000,000 above the revenues obtained from the House bill; so that, if this conference bill becomes a law, instead of a loss of revenue there will be an increase of revenue of nearly 5 per cent over the House bill.

I want to call your attention to this fact: The place where the people of the United States pay their taxes is not on raw wool, but on the finished product. It is on the dress goods, on the cloth, on the blankets, on the women's clothing that they buy, and not on the raw wool that is imported into the United States.

Under the present law the taxes levied on the American people upon the finished manufactures of wool that they buy amount to 90.10 per cent ad valorem. Under the House bill it amounted to 42.55 per cent ad valorem. Under the conference bill, as it is presented to the House to vote on to-day, the taxes that the American people will pay on the average amount to 48.36 per cent ad valorem. In other words, if you pass this bill and the Senate of the United States passes the bill and the President signs it, you will save to the people of the United States in their taxes on manufactures of wool the difference between 90.10 per cent and 48.36 per cent [applause on the Democratic side], or, in round figures, 42 per cent on all the manufactures of wool that the American people buy.

Now, I want to call your attention to what the House conferees have conceded to the Senate in order to enable us to pass a bill which I hope the President of the United States will have the patriotism to sign. [Applause on the Democratic side.] The House bill provided, on manufactures of wool, for a tax of 42.55 per cent. The conference bill provides for a tax on manufactures of wool of 48.36 per cent, or an increase of 5.79 per cent. In other words, the average increase in the bill presented by the conference report on manufactures of wool over the bill that this House passed is less than 6 per cent. And I say to the Democrats on this side of the House and to our friends on that side of the House who want to give relief to the people, that we can well afford to put this bill through the House and send it to the President of the United States in order that we may get some relief for the American people, even if it does not entirely express our views on this question. [Applause on the Democratic side.]

Mr. Speaker, I reserve the balance of my time, and insert the following comparative statement:

Comparative statement of the imports, duties, average unit of value, and equivalent ad valorem rate of duty on wool and manufactures of wool, on the basis of the imports of 1910 and as estimated for 1912, in the House and conference bills.

Items.	Present act—Results for year ending June 30, 1910.	Proposed act—Estimated results for a 12-month period.	
		House bill.	Conference bill.
Raw wool:			
Imports	$47,687,293.20	$66,991,000.00	$60,000,000.00
Duties	$21,128,728.74	$13,398,200.00	$17,400,000.00
Average unit of value, per pound	$0.186		
Equivalent ad valorem rate, per cent	44.31	20.00	29.00
Manufactures of wool:			
Imports	$23,057,958.78	$63,831,000.00	$51,890,200.00
Duties	$20,776,121.26	$27,157,800.00	$25,094,200.00
Equivalent ad valorem rate, per cent	90.10	42.55	48.36
Raw wool, and manufactures of:			
Imports	$70,745,251.98	$130,822,000.00	$111,890,200.00
Duties	$41,904,850.00	$40,556,000.00	$42,494,200.00
Equivalent ad valorem rate, per cent	59.23	31.00	37.98

Mr. PAYNE. Mr. Speaker, I yield seven minutes to the gentleman from Connecticut [Mr. HILL].

The SPEAKER. The gentleman from Connecticut [Mr. HILL] is recognized for seven minutes.

Mr. HILL. Mr. Speaker, I think this is the first time that the people of the United States have ever seen legislation enacted through a slot machine. [Laughter on the Republican side and cries of "Louder!" on the Democratic side.] Oh, you will hear from the country by and by if you do not hear from me now, so that it is not necessary to shout "Louder!" [Laughter on the Republican side.] The House has dropped one piece of legislation in the slot, and the Senate has dropped another in, and the Senator from Wisconsin [Mr. LA FOLLETTE] and the gentleman from Alabama [Mr. UNDERWOOD] have pulled out a piece of chewing gum. [Laughter on the Republican side.]

The gentleman from Alabama has just made a statement that this bill gives a certain average rate of duty, and if the Democratic Party had its way they would make it lower yet. I call his attention to the fact that the chief item of importation under the woolen schedule, aside from wool itself, is woolen cloth; and under the rate of duty he has given and with the rate on wool out of which it is made it will give to the manufacturer of woolen goods in this country a duty of 30.15 per cent, which is 20 per cent less than his predecessors in the Democratic Party gave under the Wilson bill; that on the lower class of woolens, which were 40 cents a pound and less, deducting the compensatory duty on wool, it will give a duty of 21.65 per cent; and that both of these duties on woolen goods manufactured in the Northern States are less than the corresponding duties on cotton manufactures both in the North and the South.

Now, I called the gentleman's attention the other day to the mode of classification used in this woolen bill. It was the first one of the schedules presented. I said that there should be a graded duty on woolen cloths. I said it not because of my own judgment, because I distrusted that, but I had gone back to the Walker tariff bill, and I had found in 65 years of American history since that law was enacted that there never had been either a woolen or a cotton bill that did not have graded duties, whether specific or ad valorem.

I call the attention of the gentleman now to the fact that this woolen bill has only one duty on cloths; but when you come to your cotton bill it has six duties, rated according to fineness and quality; and unfortunately the coarse, common grades, many of them, have their duties raised, while the duties on the better grades and the finer cotton cloths are very materially lowered. Why did you do it? Ah, the gentleman replied the other day:

> I will state to the gentleman that the committee having adopted an ad valorem rate all through the bill that rises and falls with the value of the goods concluded that the ad valorem rate would adjust itself without having to make a specific change.

It was a good argument as long as it lasted. I now call the gentleman's attention to his own language in the report on the cotton bill, absolutely destroying what he said with regard to the woolen industry and putting himself in an unfair light before the American people with regard to his treatment of these two different textiles. On page 34 of the report he says:

> Slightly higher rates are provided for cloths when bleached, dyed, colored, stained, painted, printed, or mercerized, in order to secure more revenue from such cloths, which include the fabrics of greatest value.
> Moreover—

I call the attention of the House to this, for the raise is 20 to 30 per cent with reference to cotton and no raise for like processes with reference to woolen cloths.

> Moreover, it is considered entirely equitable to impose higher rates of duty on finer and more costly fabrics.

It is more equitable in cotton. Is it more equitable or not in woolen? Why did you not treat the two textiles in the same way? Why did you bring in a classification here under which you have given three times the rate of duty on a piece of mercerized cotton that the Payne bill gave? I remember distinctly when some of our Republican friends from the West and some of our Democratic friends from the South and West elaborated on the duty of 1 cent a yard on mercerized cotton. Yet this bill gives 5 per cent on the whole fabric if there is one mercerized thread in the piece of cotton.

I saw a gentleman here last week with a very fine suit of clothes composed of unbleached cotton mercerized. It was like silk. I asked him what he thought the cost of the cloth was. Fifty to sixty cents a yard was a reasonable price. Yet under this Democratic bill you put 5 per cent extra on a piece of mercerized cotton, which in that case would be 3 cents a yard, instead of the 1 cent which the Payne bill carries. Why did you do it? Did you not know that it costs more to make woolen cloth than it does to make cotton cloth? Do you not know that you take your cotton from the field and put it into a picker, and then it goes to the carder and spinner and is woven, while the wool must be sorted by hand, the pieces of fiber picked out, and put in the different qualities? And it is the highest-paid labor

in the industry for sorting it. After that is done it must be scoured before it is ready for use, while it is not necessary to do this to cotton. Do you not know that woolen goods must be dyed? Do you not know that they must be woven? Yet in your cotton industry you have absolutely advanced the duty on some grades. By fineness, by weaving, by mercerizing you have made nine different classifications, from the raw cotton up to the fabric, and you have made two in wool—one on yarn and one on cloth. Why did you do it? The American people will want to know why.

We saw here the other day that in the Democratic cotton bill some coarse, common, unbleached cotton was raised enormously in duty; but they said: "There are only a thousand dollars' worth imported; the duty is prohibitive." I took the trouble to go to the greatest expert in cotton manufacturing in the United States and ask him whether there was only a small quantity produced here, and he told me that out of the 10,000,000 spindles running in the Southern States between 3,000,000 and 4,000,000 spindles were exclusively engaged in that class of production. [Applause on the Republican side.]

Mr. PAYNE. Mr. Speaker, I yield three minutes to the gentleman from Ohio [Mr. LONGWORTH].

Mr. LONGWORTH. Mr. Speaker, after listening to the elaborate apology of the gentleman from Alabama [Mr. UNDERWOOD] for this conference report, I do not wonder why that side of the House has applied the gag in this debate. [Applause on the Republican side.] If the gentleman from Alabama can not praise this measure—and even his genial smile did not conceal his lack of enthusiasm for it—it is not surprising that there are not many gentlemen on that side of the House who want to be heard in praise of it.

The gentleman from Alabama says that this is not a Democratic measure; that it is not a revision of the wool schedule such as he would write had he the power. But he defends his position in assenting to this conference report by calling it a compromise. Since he made that statement a few moments ago I desired to find out exactly what a "compromise" is. I consulted the Century Dictionary and found the following definition:

Compromise: A thing partaking of and blending the qualities, forms, or uses of two other and different things; as, a mule is a compromise between a horse and an ass.

[Laughter.]

Of course we will not all agree here as to which is the horse and which is the ass in this case, but we apparently do agree about the general characteristics of the resulting "compromise." The apology of the gentleman from Alabama lends additional force to the ancient description of the mule as being the only animal in existence without either pride of ancestry or hope of posterity. [Laughter.]

Mr. Speaker, if gentlemen on the other side expect that the country will take this as a serious, honest, and bona fide revision of the wool duties, they reckon without their host. Their half-hearted defense of this makeshift "compromise" will not appeal to thinking men, nor does it hold out bright promise of the success of their efforts in tariff revision in the future. This "compromise," based as it is on an avowed lack of accurate knowledge as to wool production and manufacture, conducted as it was under a system of barter and sale between two gentlemen, one advocating protective duties, the other revenue duties, would be bad enough in any case, but under the existing circumstances is, in my view, indefensible. In only a little more than three months we shall have an exhaustive report by the Tariff Board upon the whole wool question. To anticipate this report is in the highest degree inadvisable. Nothing can be gained by action now. Nothing would be lost by delay. In spite of all that the gentleman from Alabama has said of the possibility of the President's signature to this bill I do not believe that he or any other Member of this House thinks that it will become a law at this session of Congress.

The SPEAKER. The time of the gentleman has expired.

Mr. PAYNE. Mr. Speaker, I yield three minutes to the gentleman from Pennsylvania [Mr. DALZELL].

Mr. DALZELL. Mr. Speaker, I do not know that I shall occupy the three minutes yielded to me, because it goes without saying that it would be utterly impossible to discuss a tariff bill within that period of time. I rise simply to enter my protest against the unfairness with which this legislation is being pressed. I do not believe that in all the history of the American Congress ever before has the minority been compelled to discuss a great tariff measure within the brief space of 20 minutes, and those 20 minutes imposed on them by the application of a gag in the passage of the previous question. This measure has been ill-considered from the very outstart. The original bill that went from the House to the Senate was never considered in this House. The only time that it was ever considered at all was in the two or three hours that was spent in a Democratic caucus, and when the bill was brought into the House it was brought in with an apology, a denial that it represented Democratic doctrine. A resolution, in the words of the peerless leader, was passed by the Democratic caucus for the purpose of disinfecting the caucus. It strikes me that some action is necessary on your part, gentlemen, now to disinfect this conference report. This bill is not the bill that went from the House to the Senate, nor is it the bill that came from the Senate to the House. It is a new bill that has never been discussed anywhere. It has never been explained to this House save in the few minutes when the gentleman from Alabama [Mr. UNDERWOOD] occupied the floor. I venture to say that every gentleman within the sound of my voice will indorse what I say when I say that he does not understand any part of this bill from the beginning to the end of it. For instance, the gentleman from Alabama has given us no excuse, no reason, why in the trade made between him and the Senator from Wisconsin he agreed to raise the rate of duty on third-class wool as fixed in the Senate bill 190 per cent, nor does he give any reason for the raises of duties all along the line from those fixed in the House bill. Does he believe that the country will be satisfied with his little 20-minute explanation and apology and with his application of the gag rule to the minority who are desirous of intelligently discussing and finding out something about this measure? Even now, without further opportunity for debate, my limited time expires.

Mr. Speaker, I may desire hereafter to put some figures in the RECORD in connection with this bill, and for that reason I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Alabama has six minutes remaining and the gentleman from New York has six minutes remaining.

Mr. UNDERWOOD. Mr. Speaker, there will be but one other speech on this side of the House, and I will ask the gentleman from New York to consume his time.

Mr. PAYNE rose.

Mr. WILSON of Illinois. Tell us all about it Mr. PAYNE. [Laughter.]

Mr. PAYNE. Mr. Speaker, I hardly know where to begin on this mongrel that has come in here as the product of the brain of the gentleman from Alabama [Mr. UNDERWOOD] and one of the Senate conferees. It was the open conference, Mr. Speaker, which we had that marked the new era in legislative history. When we went in there a motion was made to refer the question in dispute to the gentleman from Alabama [Mr. UNDERWOOD] and the Senator from Wisconsin [Mr. LA FOLLETTE], and that was carried. After several days they came in there and reported they had come pretty near to an agreement. It was after they had gotten to an agreement, as it afterwards appeared. Gradually they yielded one point a little higher and one a little lower until they agreed to 29 per cent duty on all wools. It was a revelation to me for the gentleman from Alabama to work himself up to that point, after the speech he made here commending this bill, because it was simply a free-trade-tariff-for-revenue-only when he brought it into the House and he was going to fill up the "depleted" Treasury in this bill by 20 per cent on wool, and that was the only excuse for it. Why did he get up to 29 per cent? The whole effort was so patent, Mr. Speaker! They wanted to put a bill up to the President to see whether he would veto it or not. They will find out when they get it up to him, and pretty sudden [applause on the Republican side], because there will be some words about it, inasmuch as he has unlimited time and we have only 20 minutes on our side to dissect this iniquitous proceeding.

The gentleman from Alabama [Mr. UNDERWOOD] pleaded almost with tears in his eyes to keep blankets down to a duty of 30 per cent, and they would not have that. And then the gentleman from Texas [Mr. RANDELL] repeated that old argument made on the stump about the high duty levied on the poor man's blanket and that he had to sleep without one, and he wanted to get that duty down to the House bill. But no; the Senate conferee was inexorable, and blankets, the poor man's and the rich man's and all the other men's blankets, were put up to the same duty of 38 per cent. And so their argument about the poor man's blanket has gone glimmering in this bill. You can never raise it with good faith in your districts after this.

And then they go on and regulate the duty on cloths. The gentleman from Alabama, having gone through the cotton bill in the meantime, made a plea for a different duty on different kinds of cloths—fine and coarse—and for a difference between cloth and ready-made clothing. But the Senate conferees said

no, and with that smiling disposition of his the leader on the other side had to yield to the contention and put a uniform duty on cloths and on clothing, forgetting that on every suit of clothes that is made there is a large waste of the amount of woolen cloth that is cut away and becomes nothing but rags, with rag prices on it.

And so it went on. It was pitiful, gentlemen. I have been on many a committee in this House where I have seen conferees willing to yield, and sometimes compelled to yield, but I never saw such willing yielding as there seemed to be in this instance, simply confirming our suspicion that the gentleman from Alabama [Mr. UNDERWOOD] and the Senator from Wisconsin [Mr. LA FOLLETTE] had agreed on the thing, and the only argument that had convinced them, the only argument that was brought, was the necessity of the case; that they could not put this and that through the Senate; they could not put it up to the President unless the Senator from Wisconsin had his way—and they must put this bill up to the President, having proceeded so far and made this bluff—and then the only acknowledgment that was made in this committee when we did meet was that this was only "an experimental bill," being made with "blacksmith's tools," and all that sort of thing. And when the Senator from Wisconsin challenged the gentleman from Alabama to say what the difference should be in the duties on the different classes of goods, on goods differentiated from clothing, the Senator from Wisconsin said, "Why, I have not and you have not any sufficient information on which to make an intelligent schedule of that kind." "Oh, we will send it up to the President." It only emphasized, Mr. Speaker, from the beginning to the end of that conference the contention made on this side of the House of the necessity for gathering information. It was criminal on the part of these gentlemen to try to guess out a bill affecting over 500,000 people employed in those industries without awaiting the 1st of December until we could get a report of the Tariff Board.

Well, that they have to wait, Mr. Speaker, is my firm belief, and when that message comes to the House the American people will see why they have to wait until the 1st of December, and you will have spent your summer in plotting and counterplotting against the President of the United States in vain, because the people will not indorse any such summary, ignorant, undigested action as you present here through this bill. [Loud applause on the Republican side.]

The SPEAKER. The time of the gentleman from New York has expired. The gentleman from Alabama has six minutes remaining.

Mr. UNDERWOOD. Mr. Speaker, the gentleman from New York [Mr. PAYNE] says that we accomplish nothing by the reduction on blankets. The rate in this bill on cloths and women's dress goods and other like articles is fixed at 49 per cent. The classification was fixed by the Senate conferees, but the language is the language of the House bill, and when we insisted on a different classification on blankets we finally placed it at 38 per cent, which is 11 per cent lower than the rate placed on dress goods and on women's dress goods and articles of that kind. Now, if the gentleman from New York [Mr. PAYNE] thinks it is no relief to the poor people of this country to have their taxes reduced 11 per cent, why I do not doubt that is the point of view from which he looks at it. He has never in any tariff bill he has every written in the history of this country, or taken part in writing, looked at the question from a standpoint of the people who have to pay the taxes. [Applause on the Democratic side.] The only question that has confronted the gentleman from New York is the protected industries of the United States. [Applause on the Democratic side.] He says that the Senator from Wisconsin and myself "rushed" to an agreement on this bill.

I say that the gentleman from Wisconsin was very generous in his concessions; that he allowed us to write a bill on which the increased taxes to the American people are less than 6 per cent above that we fixed in the House bill. The reason the gentleman from Wisconsin and myself endeavored to settle the differences between the two Houses and bring in a bill here that could be presented to the President of the United States was that we recognized that the greatest monstrosity that had ever been written on the tariff books of this country was the Payne law. [Applause on the Democratic side.] We recognized that when the gentleman from New York, knowing the public sentiment of this country, forced, under a gag rule, through this House Schedule K, when there were scores of men on that side of the House who would have voted against it if they had been given the chance, that he stood for the protected interests of this country and turned the back of his hand to the American people. [Applause on the Democratic side.] And yet the gentleman from New York says that we "rushed" to this agreement in order that we could agree on a bill that would put the President of the United States in a hole. The President of the United States has repudiated the Payne bill. [Applause on the Democratic side.] He has said, not in so many words, but in effect, that Schedule K in the Payne tariff bill was a stench in the nostrils of the American people. [Applause on the Democratic side.] He has said that it should be rewritten, that this monstrosity should be taken from the statute books, and when the Senator from Wisconsin and myself attempted to reconcile the differences between the two Houses and present a bill to the President of the United States to give him a chance to keep his word, his plighted word, to the American people, the leadership on that side of the House scoffs at our effort and hurls back the proposition that the President of the United States can not be relied on to keep the faith. [Loud and continued applause on the Democratic side.] Mr. Speaker, I demand the yeas and nays.

The SPEAKER. The question is on agreeing to the conference report. The gentleman from Alabama demands the yeas and nays on that.

The yeas and nays were ordered.

The question was taken; and there were—yeas 205, nays 90, answered "present" 8, not voting 83, as follows:

YEAS—205.

Adair	Doremus	Jackson	Roddenbery
Adamson	Doughton	Jacoway	Rothermel
Aiken, S. C.	Driscoll, D. A.	Johnson, Ky.	Rouse
Akin, N. Y.	Dupre	Johnson, S. C.	Rubey
Alexander	Edwards	Kent	Rucker, Colo.
Allen	Ellerbe	Kinkaid, Nebr.	Rucker, Mo.
Anderson, Minn.	Esch	Kinkead, N. J.	Russell
Ashbrook	Estopinal	Konop	Sabath
Barnhart	Evans	Kopp	Scully
Bartlett	Faison	Korbly	Shackleford
Bathrick	Ferris	La Follette	Sharp
Beall, Tex.	Fields	Lamb	Sheppard
Bell, Ga.	Finley	Lee, Ga.	Sherwood
Blackmon	Fitzgerald	Lee, Pa.	Sims
Booher	Flood, Va.	Lenroot	Sisson
Borland	Floyd, Ark.	Lewis	Sloan
Brantley	Foster, Ill.	Lindbergh	Small
Brown	Fowler	Littlepage	Smith, N. Y.
Buchanan	Francis	Littleton	Sparkman
Bulkley	Gallagher	Lloyd	Stedman
Burke, Wis.	Garner	Lobeck	Steenerson
Burleson	Garrett	McCoy	Stephens, Cal.
Burnett	George	McDermott	Stephens, Miss.
Byrnes, S. C.	Godwin, N. C.	Macon	Stephens, Tex.
Callaway	Goeke	Madison	Stone
Carlin	Goldfogle	Maguire, Nebr.	Sweet
Carter	Graham	Martin, Colo.	Talbott, Md.
Clark, Fla.	Gray	Mays	Talcott, N. Y.
Claypool	Gregg, Pa.	Miller	Taylor, Ala.
Clayton	Gudger	Moon, Tenn.	Taylor, Colo.
Cline	Hamill	Moore, Tex.	Thayer
Collier	Hamlin	Morrison	Thomas
Connell	Hammond	Morse, Wis.	Townsend
Conry	Hanna	Moss, Ind.	Tribble
Cox, Ind.	Hardwick	Murdock	Turnbull
Cox, Ohio	Hardy	Nelson	Tuttle
Cravens	Harrison, Miss.	Norris	Underhill
Cullop	Haugen	Nye	Underwood
Curley	Hay	O'Shaunessy	Volstead
Daugherty	Heflin	Page	Warburton
Davenport	Helgesen	Pepper	Watkins
Davidson	Helm	Peters	Webb
Davis, Minn.	Henry, Tex.	Post	Whitacre
Davis, W. Va.	Hensley	Pou	White
Dent	Holland	Pujo	Wickliffe
Denver	Houston	Raker	Witherspoon
Dickinson	Howard	Randell, Tex.	Woods, Iowa
Dickson, Miss.	Hubbard	Ransdell, La.	Young, Kans.
Dies	Hughes, Ga.	Rauch	The Speaker
Difenderfer	Hughes, N. J.	Rees	
Dixon, Ind.	Hull	Reilly	
Donohoe	Humphreys, Miss.	Richardson	

NAYS—90.

Barchfeld	Foss	Kennedy	Prouty
Bartholdt	Foster, Vt.	Knowland	Reyburn
Bates	French	Langley	Roberts, Mass.
Bingham	Fuller	Loud	Roberts, Nev.
Bowman	Gardner, Mass.	McCall	Rodenberg
Burke, S. Dak.	Gillett	McKenzie	Slemp
Butler	Good	McKinley	Smith, J. M. C.
Campbell	Green, Iowa	McKinney	Smith, Saml. W.
Cannon	Greene, Mass.	McLaughlin	Speer
Catlin	Hamilton, Mich.	McMorran	Sterling
Cooper	Harris	Madden	Stevens, Minn.
Copley	Hartman	Mann	Switzer
Crago	Hawley	Martin, S. Dak.	Taylor, Ohio
Crumpacker	Hayes	Mondell	Thistlewood
Currier	Heald	Moore, Pa.	Towner
Dalzell	Henry, Conn.	Morgan	Utter
Danforth	Higgins	Olmsted	Wedemeyer
Dodds	Hill	Patton, Pa.	Weeks
Draper	Howland	Payne	Willis
Driscoll, M. E.	Hughes, W. Va.	Pickett	Wilson, Ill.
Dwight	Humphrey, Wash.	Plumley	Young, Mich.
Dyer	Kahn	Pray	
Farr	Kendall	Prince	

ANSWERED "PRESENT"—8.

Covington	Howell	Malby	Needham
Gould	Longworth	Murray	Padgett

NOT VOTING—83.

Ames	Fordney	Lawrence	Redfield
Anderson, Ohio	Fornes	Legare	Riordan
Andrus	Gardner, N. J.	Lever	Robinson
Ansberry	Glass	Levy	Saunders
Anthony	Goodwin, Ark.	Lindsay	Sells
Austin	Gregg, Tex.	Linthicum	Sherley
Ayres	Griest	McCreary	Simmons
Berger	Guernsey	McGillicuddy	Slayden
Boehne	Hamilton, W. Va.	McGuire, Okla.	Smith, Tex.
Bradley	Harrison, N. Y.	McHenry	Stack
Broussard	Hinds	Maher	Stanley
Burgess	Hobson	Matthews	Sulloway
Burke, Pa.	James	Moon, Pa.	Sulzer
Byrns, Tenn.	Jones	Mott	Tilson
Calder	Kindred	Oldfield	Vreeland
Candler	Kitchin	Palmer	Wilder
Cantrill	Konig	Parran	Wilson, N. Y.
Cary	Lafean	Patten, N. Y.	Wilson, Pa.
De Forest	Lafferty	Porter	Wood, N. J.
Fairchild	Langham	Powers	Young, Tex.
Focht	Latta	Rainey	

So the conference report was agreed to.

The SPEAKER. The Clerk will call my name.

The Clerk called the name of Mr. CLARK of Missouri, and he voted in the affirmative.

The Clerk announced the following additional pair:

Until further notice:

Mr. JONES with Mr. MATTHEWS.

Mr. BYRNS of Tennessee. Mr. Speaker, being paired with my colleague, Mr. AUSTIN, I desire to vote "present." If he were present, I would vote "aye."

The SPEAKER. Did the gentleman vote?

Mr. BYRNS of Tennessee. I did not.

The SPEAKER. Was the gentleman in the Hall and listening when his name should have been called?

Mr. BYRNS of Tennessee. I was just in the rear here.

The SPEAKER. The gentleman does not bring himself within the rule.

Mr. BYRNS of Tennessee. I wish to vote "present," that is all.

Mr. LAFFERTY. Mr. Speaker, I wish to state that if I had been present at the time my name was called, I would have voted against this bill, but I was called out of the Hall and did not return in time to vote.

The SPEAKER. The gentleman's statement is not in order.

The result of the vote was announced as above recorded.

The announcement of the result was received with applause.

PUBLICITY OF CAMPAIGN CONTRIBUTIONS.

Mr. RUCKER of Missouri. Mr. Speaker, I desire to present to the House for printing in the RECORD, under the rule, a conference report on the bill (H. R. 2958) popularly known as the publicity bill. (S. Doc. 96.)

The SPEAKER. The gentleman presents for printing in the RECORD under the rule the conference report which he sends up. It will be printed in the RECORD and as a document.

The conference report (No. 147) and statement are as follows:

CONFERENCE REPORT.

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2958) to amend an act entitled "An act providing for publicity of contributions made for the purpose of influencing elections at which Representatives in Congress are elected," having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 6.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, and 4, and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same, amended to read as follows, viz:

SEC. 2. That section 8, as above amended, and sections 9 and 10 of said act be renumbered as sections 9, 10, and 11, and that a new section be inserted after section 7 of the said original act, to read as follows:

"SEC. 8. The word 'candidate' as used in this section shall include all persons whose names are presented for nomination for Representative or Senator in the Congress of the United States at any primary election or nominating convention, or for indorsement or election at any general or special election held in connection with the nomination or election of a person to fill such office, whether or not such persons are actually nominated, indorsed, or elected.

"Every person who shall be a candidate for nomination at any primary election or nominating convention, or for election at any general or special election, as Representative in the Congress of the United States, shall, not less than 10 nor more than 15 days before the day for holding such primary election or nominating convention, and not less than 10 nor more than 15 days before the day of the general or special election at which candidates for Representatives are to be elected, file with the Clerk of the House of Representatives at Washington, D. C., a full, correct, and itemized statement of all moneys and things of value received by him or by anyone for him with his knowledge and consent, from any source, in aid or support of his candidacy, together with the names of all those who have furnished the same in whole or in part; and such statement shall contain a true and itemized account of all moneys and things of value given, contributed, expended, used, or promised by such candidate, or by his agent, representative, or other person for and in his behalf with his knowledge and consent, together with the names of all those to whom any and all such gifts, contributions, payments, or promises were made, for the purpose of procuring his nomination or election.

"Every person who shall be a candidate for nomination at any primary election or nominating convention, or for indorsement at any general or special election, or election by the legislature of any State, as Senator in the Congress of the United States, shall, not less than 10 nor more than 15 days before the day for holding such primary election or nominating convention, and not less than 10 nor more than 15 days before the day of the general or special election at which he is seeking indorsement, and not less than 5 nor more than 10 days before the day upon which the first vote is to be taken in the two houses of the legislature before which he is a candidate for election as Senator, file with the Secretary of the Senate at Washington, D. C., a full, correct, and itemized statement of all moneys and things of value received by him or by anyone for him with his knowledge and consent, from any source, in aid or support of his candidacy, together with the names of all those who have furnished the same in whole or in part; and such statement shall contain a true and itemized account of all moneys and things of value given, contributed, expended, used, or promised by such candidate, or by his agent, representative, or other person for and in his behalf with his knowledge and consent, together with the names of all those to whom any and all such gifts, contributions, payments, or promises were made for the purpose of procuring his nomination or election.

"Every such candidate for nomination at any primary election or nominating convention, or for indorsement or election at any general or special election, or for election by the legislature of any State, shall, within 15 days after such primary election or nominating convention, and within 30 days after any such general or special election, and within 30 days after the day upon which the legislature shall have elected a Senator, file with the Clerk of the House of Representatives or with the Secretary of the Senate, as the case may be, a full, correct, and itemized statement of all moneys and things of value received by him or by anyone for him with his knowledge and consent, from any source, in aid or support of his candidacy, together with the names of all those who have furnished the same in whole or in part; and such statement shall contain a true and itemized account of all moneys and things of value given, contributed, expended, used, or promised by such candidate, or by his agent, representative, or other person for and in his behalf with his knowledge and consent, up to, on, and after the day of such primary election, nominating convention, general or special election, or election by the legislature, together with the names of all those to whom any and all such gifts, contributions, payments, or promises were made for the purpose of procuring his nomination, indorsement, or election.

"Every such candidate shall include therein a statement of every promise or pledge made by him, or by anyone for him with his knowledge and consent or to whom he has given authority to make any such promise or pledge, before the completion of any such primary election or nominating convention or general or special election or election by the legislature, relative to the appointment or recommendation for appointment of any person to any position of trust, honor, or profit, either in the county, State, or Nation, or in any political subdivision thereof, or in any private or corporate employment, for the purpose of procuring the support of such person or of any person in his candidacy, and if any such promise or pledge shall have been made the name or names, the address or addresses, and the occupation or occupations, of the person or persons to whom such promise or pledge shall have been made, shall be stated, together with a description of the position relating to

which such promise or pledge has been made. In the event that no such promise or pledge has been made by such candidate, that fact shall be distinctly stated.

"No candidate for Representative in Congress or for Senator of the United States shall promise any office or position to any person, or to use his influence or to give his support to any person for any office or position for the purpose of procuring the support of such person, or of any person, in his candidacy; nor shall any candidate for Senator of the United States give, contribute, expend, use, or promise any money or thing of value to assist in procuring the nomination or election of any particular candidate for the legislature of the State in which he resides, but such candidate may, within the limitations and restrictions and subject to the requirements of this act, contribute to political committees having charge of the disbursement of campaign funds.

"No candidate for Representative in Congress or for Senator of the United States shall give, contribute, expend, use, or promise, or cause to be given, contributed, expended, used, or promised, in procuring his nomination and election, any sum, in the aggregate, in excess of the amount which he may lawfully give, contribute, expend, or promise under the laws of the State in which he resides: *Provided*, That no candidate for Representative in Congress shall give, contribute, expend, use, or promise any sum, in the aggregate, exceeding $5,000 in any campaign for his nomination and election; and no candidate for Senator of the United States shall give, contribute, expend, use, or promise any sum, in the aggregate, exceeding $10,000 in any campaign for his nomination and election: *Provided further*, That money expended by any such candidate to meet and discharge any assessment, fee, or charge made or levied upon candidate by the laws of the State in which he resides, or for his necessary personal expenses, incurred for himself alone, for travel and subsistence, stationery and postage, writing or printing (other than in newspapers), and distributing letters, circulars, and posters, and for telegraph and telephone service, shall not be regarded as an expenditure within the meaning of this section, and shall not be considered any part of the sum herein fixed as the limit of expense and need not be shown in the statements herein required to be filed.

"The statements herein required to be made and filed before the general election, or the election by the legislature at which such candidate seeks election, need not contain items of which publicity is given in a previous statement, but the statement required to be made and filed after said general election or election by the legislature shall, in addition to an itemized statement of all expenses not theretofore given publicity, contain a summary of all preceding statements.

"Any person, not then a candidate for Senator of the United States, who shall have given, contributed, expended, used, or promised any money or thing of value to aid or assist in the nomination or election of any particular member of the legislature of the State in which he resides, shall, if he thereafter becomes a candidate for such office, or if he shall thereafter be elected to such office without becoming a candidate therefor, comply with all of the provisions of this section relating to candidates for such office, so far as the same may be applicable; and the statement herein required to be made, verified, and filed after such election shall contain a full, true, and itemized account of each and every gift, contribution, expenditure, and promise whenever made, in any wise relating to the nomination or election of members of the legislature of said State, or in any wise connected with or pertaining to his nomination and election of which publicity is not given in a previous statement.

"Every statement herein required shall be verified by the oath or affirmation of the candidate, taken before an officer authorized to administer oaths under the laws of the State in which he is a candidate, and shall be sworn to or affirmed by the candidate in the district in which he is a candidate for Representative, or the State in which he is a candidate for Senator in the Congress of the United States: *Provided*, That if at the time of such primary election, nominating convention, general or special election, or election by the State legislature said candidate shall be in attendance upon either House of Congress as a Member thereof, he may at his election verify such statements before any officer authorized to administer oaths in the District of Columbia: *Provided further*, That the depositing of any such statement in a regular post office, directed to the Clerk of the House of Representatives or to the Secretary of the Senate, as the case may be, duly stamped and registered within the time required herein shall be deemed a sufficient filing of any such statement under any of the provisions of this act.

"This act shall not be construed to annul or vitiate the laws of any State, not directly in conflict herewith, relating to the nomination or election of candidates for the offices herein named, or to exempt any such candidate from complying with such State laws."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate amending the title of the bill and agree to the same with an amendment, so that the title as amended will read as follows, viz: "An act to amend an act entitled 'An act providing for publicity of contributions made for the purpose of influencing elections at which Representatives in Congress are elected' and extending the same to candidates for nomination and election to the offices of Representative and Senator in the Congress of the United States and limiting the amount of campaign expenses."

And the Senate agree to the same.

W. W. RUCKER,
M. F. CONRY,
M. E. OLMSTED,
Managers on the part of the House.

WILLIAM P. DILLINGHAM,
ROBERT J. GAMBLE,
JOS. F. JOHNSTON,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2958) to amend an act entitled "An act providing for publicity of contributions made for the purpose of influencing elections at which Representatives in Congress are elected" submit the following written statement in explanation of the action agreed upon and recommended in the accompanying conference report:

The first two lines of H. R. 2958 as it passed the House reads: "That sections 5 and 6 of an act entitled 'An act providing for publicity of contributions made,' etc."

Senate amendment No. 1 strikes out "and" after the word "five," and Senate amendment No. 2 inserts "and eight" after the word "six," in the language above quoted. These amendments are made necessary by reason of the fact that the bill as it passed the House only amended sections 5 and 6 of the publicity act, while Senate amendment No. 4 amends section 8 of said act also. These two amendments make the first two lines of the bill read: "That sections 5, 6, and 8 of an act entitled 'An act providing for publicity of contributions made,' etc."

The House recedes from its disagreement to Senate amendments Nos. 1 and 2 and agrees to the same.

Senate amendment No. 3 strikes out "third" in line 5, page 2, of the bill and inserts "sixth," the effect of this amendment being to require committees operating in two or more States to file a supplemental statement of receipts and disbursements every sixth day after the first preelection statement instead of every third day, as provided in the bill as it passed the House. The House recedes from its disagreement to Senate amendment No. 3 and agrees to the same.

Senate amendment No. 4 amends section 8 of the publicity act. Section 8 of existing law provides that certain persons, not candidates, may incur "all personal expenses for his traveling and for purposes incidental to traveling, for stationery and postage, and for telegraph and telephone service without being subject to the provisions of this act."

Senate amendment No. 4 is really a substitute for the present section 8 of the law. It inserts "necessary" before the words "personal expenses" and omits the phrase "and for purposes incidental to traveling" after the words "expenses for his traveling."

The House recedes from its disagreement to Senate amendment No. 4 and agrees to same.

Senate amendments Nos. 5 and 6 constitute a new section to the publicity act, to be known as section 8 of said act.

These amendments require publicity of campaign contributions and expenditures by all candidates for nomination and election to the offices of Representative and Senator in the Congress of the United States, before and after nomination and election, and applies to nominations at primary elections or nominating conventions, and to indorsements or nominations or elections at general or special elections and to elections by legislatures.

The conferees agreed upon many minor amendments to Senate amendment No. 5, including the merging of the substance of Senate amendment No. 6 into said amendment No. 5.

The conferees also agreed upon an amendment to Senate amendment No. 5 exempting certain necessary personal expenses from the provisions of the new section to said act, including charges or fees imposed upon candidates by the law,

expenses of travel and subsistence, stationery and postage, writing or printing and distributing letters, circulars and posters, and for telegraph and telephone service.

As agreed upon and recommended by the conferees the Senate amendment No. 5 is in form a substitute for the original Senate amendment. It proposes a new section, to be known as section 8 (Senate amendment No. 5) of the publicity act, which will read as follows:

"SEC. 8. The word 'candidate' as used in this section shall include all persons whose names are presented for nomination for Representative or Senator in the Congress of the United States at any primary election or nominating convention, or for indorsement or election at any general or special election held in connection with the nomination or election of a person to fill such office, whether or not such persons are actually nominated, indorsed, or elected.

"Every person who shall be a candidate for nomination at any primary election or nominating convention, or for election at any general or special election, as Representative in the Congress of the United States, shall, not less than 10 nor more than 15 days before the day for holding such primary election or nominating convention, and not less than 10 nor more than 15 days before the day of the general or special election at which candidates for Representative are to be elected, file with the Clerk of the House of Representatives at Washington, D. C., a full, correct, and itemized statement of all moneys and things of value received by him or by anyone for him with his knowledge and consent, from any source, in aid or support of his candidacy, together with the names of all those who have furnished the same in whole or in part; and such statement shall contain a true and itemized account of all moneys and things of value given, contributed, expended, used, or promised by such candidate, or by his agent, representative, or other person for and in his behalf with his knowledge and consent, together with the names of all those to whom any and all such gifts, contributions, payments, or promises were made for the purpose of procuring his nomination or election.

"Every person who shall be a candidate for nomination at any primary election or nominating convention, or for indorsement at any general or special election, or election by the legislature of any State, as Senator in the Congress of the United States, shall, not less than 10 nor more than 15 days before the day for holding such primary election or nominating convention, and not less than 10 nor more than 15 days before the day of the general or special election at which he is seeking indorsement, and not less than 5 nor more than 10 days before the day upon which the first vote is to be taken in the two houses of the legislature before which he is a candidate for election as Senator, file with the Secretary of the Senate at Washington, D. C., a full, correct, and itemized statement of all moneys and things of value received by him or by anyone for him with his knowledge and consent, from any source, in aid or support of his candidacy, together with the names of all those who have furnished the same in whole or in part; and such statement shall contain a true and itemized account of all moneys and things of value given, contributed, expended, used, or promised by such candidate, or by his agent, representative, or other person for and in his behalf with his knowledge and consent, together with the names of all those to whom any and all such gifts, contributions, payments, or promises were made for the purpose of procuring his nomination or election.

"Every such candidate for nomination at any primary election or nominating convention, or for indorsement or election at any general or special election, or for election by the legislature of any State, shall, within 15 days after such primary election or nominating convention, and within 30 days after any such general or special election, and within 30 days after the day upon which the legislature shall have elected a Senator, file with the Clerk of the House of Representatives or with the Secretary of the Senate, as the case may be, a full, correct, and itemized statement of all moneys and things of value received by him or by anyone for him with his knowledge and consent, from any source, in aid or support of his candidacy, together with the names of all those who have furnished the same in whole or in part; and such statement shall contain a true and itemized account of all moneys and things of value given, contributed, expended, used, or promised by such candidate, or by his agent, representative, or other person for and in his behalf with his knowledge and consent, up to, on, and after the day of such primary election, nominating convention, general or special election, or election by the legislature, together with the names of all those to whom any and all such gifts, contributions, payments, or promises were made for the purpose of procuring his nomination, indorsement, or election.

"Every such candidate shall include therein a statement of every promise or pledge made by him, or by anyone for him, with his knowledge and consent or to whom he has given authority to make any such promise or pledge, before the completion of any such primary election or nominating convention or general or special election or election by the legislature, relative to the appointment or recommendation for appointment of any person to any position of trust, honor, or profit, either in the county, State, or Nation, or in any political subdivision thereof, or in any private or corporate employment, for the purpose of procuring the support of such person or of any person in his candidacy, and if any such promise or pledge shall have been made, the name or names, the address or addresses, and the occupation or occupations of the person or persons to whom such promise or pledge shall have been made, shall be stated, together with a description of the position relating to which such promise or pledge has been made. In the event that no such promise or pledge has been made by such candidate, that fact shall be distinctly stated.

"No candidate for Representative in Congress or for Senator of the United States shall promise any office or position to any person, or to use his influence or to give his support to any person for any office or position for the purpose of procuring the support of such person, or of any person, in his candidacy; nor shall any candidate for Senator of the United States give, contribute, expend, use, or promise any money or thing of value to assist in procuring the nomination or election of any particular candidate for the legislature of the State in which he resides, but such candidate may, within the limitations and restrictions and subject to the requirements of this act, contribute to political committees having charge of the disbursement of campaign funds.

"No candidate for Representative in Congress or for Senator of the United States shall give, contribute, expend, use, or promise, or cause to be given, contributed, expended, used, or promised, in procuring his nomination and election any sum, in the aggregate, in excess of the amount which he may lawfully give, contribute, expend, or promise under the laws of the State in which he resides: *Provided*, That no candidate for Representative in Congress shall give, contribute, expend, use, or promise any sum, in the aggregate, exceeding five thousand dollars in any campaign for his nomination and election; and no candidate for Senator of the United States shall give, contribute, expend, use, or promise any sum, in the aggregate, exceeding ten thousand dollars in any campaign for his nomination and election: *Provided further*, That money expended by any such candidate to meet and discharge any assessment, fee, or charge made or levied upon candidates by the laws of the State in which he resides, or for his necessary personal expenses, incurred for himself alone, for travel and subsistence, stationery and postage, writing or printing (other than in newspapers) and distributing letters, circulars, and posters and for telegraph and telephone service, shall not be regarded as an expenditure within the meaning of this section, and shall not be considered any part of the sum herein fixed as the limit of expense and need not be shown in the statements herein required to be filed.

"The statements herein required to be made and filed before the general election, or the election by the legislature at which such candidate seeks election, need not contain items of which publicity is given in a previous statement, but the statement required to be made and filed after said general election or election by the legislature shall, in addition to an itemized statement of all expenses not theretofore given publicity, contain a summary of all preceding statements.

"Any person, not then a candidate for Senator of the United States, who shall have given, contributed, expended, used, or promised any money or thing of value to aid or assist in the nomination or election of any particular member of the legislature of the State in which he resides shall, if he thereafter becomes a candidate for such office, or if he shall thereafter be elected to such office without becoming a candidate therefor, comply with all of the provisions of this section relating to candidates for such office, so far as the same may be applicable; and the statement herein required to be made, verified, and filed after such election shall contain a full, true, and itemized account of each and every gift, contribution, expenditure, and promise, whenever made, in anywise relating to the nomination or election of members of the legislature of said State, or in anywise connected with or pertaining to his nomination and election of which publicity is not given in a previous statement.

"Every statement herein required shall be verified by the oath or affirmation of the candidate, taken before an officer authorized to administer oaths under the laws of the State in which he is a candidate, and shall be sworn to or affirmed by

the candidate in the district in which he is a candidate for Representative, or the State in which he is a candidate for Senator in the Congress of the United States: *Provided*, That if at the time of such primary election, nominating convention, general or special election, or election by the State legislature said candidate shall be in attendance upon either House of Congress as a Member thereof he may at his election verify such statements before any officer authorized to administer oaths in the District of Columbia: *Provided further*, That the depositing of any such statement in a regular post office, directed to the Clerk of the House of Representatives or to the Secretary of the Senate, as the case may be, duly stamped and registered within the time required herein, shall be deemed a sufficient filing of any such statement under any of the provisions of this act.

"This act shall not be construed to annul or vitiate the laws of any State, not directly in conflict herewith, relating to the nomination or election of candidates for the offices herein named, or to exempt any such candidate from complying with such State laws."

The title is amended so as to read: "An act to amend an act entitled 'An act providing for publicity of contributions made for the purpose of influencing elections at which Representatives in Congress are elected' and extending the same to candidates for nomination and election to the offices of Representative and Senator in the Congress of the United States and limiting the amount of campaign expenses."

The Senate recedes from its amendment No. 6, the same as agreed upon having been embodied in amendment No. 5.

It is recommended that the amendment of the Senate changing the title of the act as amended in conference be agreed to.

W. W. RUCKER,
M. F. CONRY,
M. E. OLMSTED,
Managers on the part of the House.

Mr. WATKINS. Mr. Speaker, I desire to reserve all points of order, and ask for a separate vote on each of the amendments——

The SPEAKER. The report is not before the House. It is merely presented for printing, under the rule.

Mr. WATKINS. I desire to reserve all points of order.

DISTRICT OF COLUMBIA BUSINESS.

The SPEAKER. This is District day. If any gentleman has any District of Columbia business, it is in order to present it.

ASSIGNMENT OF SALARIES, ETC., IN THE DISTRICT OF COLUMBIA.

Mr. JOHNSON of Kentucky. Mr. Speaker, I call up the bill (H. R. 10649) to regulate the assignment of wages, salaries, and earnings in the District of Columbia.

The SPEAKER. The Clerk will report the bill.

The bill was read, as follows:

Be it enacted, etc., That all assignments of wages, salaries, or earnings made, or to take effect, or to be enforced in the District of Columbia shall be in writing, signed by the person to whom such wages, salaries, or earnings are due, which writing shall contain the correct date of the assignment and the amount assigned and the name, or names, of the person, firm, or corporation owing the wages, salaries, or earnings so assigned; and the assignment of wages, salaries, and earnings not earned at the time the assignment is made shall be null and void.

With the following committee amendments:

Amend by inserting, in line 9, after "-poration" and before the word "owing," the following: "including the Governments of the United States and of the District of Columbia."

Further amend by adding to the last line the following: "*Provided*, That no assignment of a salary or wage by a married man shall be valid unless his wife join him in the assignment thereof."

Mr. FINLEY. Mr. Speaker, I have just obtained a copy of this bill.

Referring to the last committee amendment, which provides—

That no assignment of a salary or wage by a married man shall be valid unless his wife join him in the assignment thereof.

I move to strike out all after the word "valid."

The SPEAKER. The gentleman from South Carolina offers an amendment to the last committee amendment. The Clerk will report it.

The Clerk read as follows:

Amend the last committee amendment by striking out all after the word "valid."

Mr. FINLEY. Mr. Speaker, the purpose of that amendment is to provide that no assignment of a salary or wage by a married man shall be valid.

The trouble with people in the District of Columbia is in the matter of assigning their salaries. When a man is single it makes no particular difference. No one is dependent upon him; but where he has a wife and family, then it is certain that if he wishes to assign his salary it is a mere matter of form to obtain the signature of his wife to an assignment. If it is proposed to accomplish anything by this bill, then you should prohibit a married man from assigning his salary.

Congress has been deluged for many years with demands by Government employees for increases of salary. I believe the foundation of this difficulty lies in the fact that Government employees, and particularly married men, assign their salaries and mortgage their personal property, and pay such high interest that they can not make ends meet. They are charged exorbitant rates of interest and find themselves falling behind, so Congress is overwhelmed with demands for an increase of the salaries of Government employees. What are you going to do about it? My opinion is that if you will wipe out this practice, and reduce interest in the District of Columbia to a fixed legal rate, this demand will no longer exist.

I understand from what I read in the papers that there exists in this city to-day an organization having for its purpose the passage of a retirement bill, and that an ex-Senator from the State of Ohio is at the head of this organization. Its purpose is to obtain from Congress some legislation in the shape of old-age pensions, a civil pension list, so to speak.

One publication that I have seen stated that a fund of $100,000 had been raised to push along this proposed line of legislation. I wish to say to the Members of the House, that if you do not propose to enact legislation like this you should lay heavy hands on these Government employees who assign their salaries—those who fall into the hands of the loan sharks—and unless you do this the time will come when conditions in the District of Columbia will be utterly intolerable. [Applause.]

Mr. SIMS. Mr. Speaker, I want to refer to one matter, and I will be brief.

Mr. MANN. Mr. Speaker, I was going to ask unanimous consent for the gentleman from Missouri, Dr. BARTHOLDT, to have 40 minutes to address the House on the subject of peace.

Mr. MOORE of Pennsylvania. Mr. Speaker, I desire to offer an amendment before this bill is concluded.

The SPEAKER. The gentleman from Pennsylvania will have that opportunity. The gentleman from Illinois asks unanimous consent that the gentleman from Missouri [Mr. BARTHOLDT] be permitted to address the House for 40 minutes on the subject of peace. Is there objection?

There was no objection.

ARBITRATION TREATIES.

Mr. BARTHOLDT. Mr. Speaker, constitutionally the House of Representatives is not a part of the treaty-making power, hence it might be said that we have no official concern in the arbitration treaties which are now awaiting the sanction of the Senate. That is true in a technical sense. However, as representatives of the people, I hold we are most vitally interested in propositions which involve the great question of peace or war. Not only are the constituencies which we represent on this floor those of the Members of the other House, but we ourselves are their constituents. Most likely they are entirely willing to hear from us on this great question. There was a time when weighty international problems were decided and settled in the chancelleries here and abroad, especially abroad, without the knowledge of either the people or their representatives, but that time is rapidly passing. To-day the people want to know what is being done to promote their welfare, and nearly all Governments religiously observe the rule of giving them the fullest information. In the matter of the arbitration treaties the President and Secretary of State took the people into their confidence from the very start, and not only was the tentative draft published as soon as it was completed, but the people were advised, through the public press, of every important step taken in the course of the negotiations. In England great mass meetings were held in which the leaders of both the Government and the opposition parties took part and which declared enthusiastically in favor of the principle of a peaceful settlement, by arbitration, of all international controversies. From what I know of the true sentiment of the American people on this subject, they would have spoken out just as emphatically, only on a still larger scale, but for some inexplicable reason these public demonstrations were discouraged by some private citizens and influential friends of the cause. But in view of the publicity which our Government has given to this matter, the statement that there has been no opportunity for consultation about it is far from the truth and appears rather as a pretext for opposition.

I shall not now undertake to point out the great and lasting benefits of treaties which will secure, by judicial decision and law, the people's peace against the arbitrary will of rulers on the one hand and the passions of the mob on the other, nor is it necessary to extoll the example of lofty statesmanship which

the three treaty-making powers hold up to the rest of the world for emulation.

I am sure there is to be found nowhere, not even in barracks and navy yards, a lack of appreciation or a lack of patriotic pride on account of the American initiative. If there were, as American citizens we would have reason to be ashamed of it.

My purpose to-day is to refer briefly to the various objections interposed against the treaties. As this subject has been discussed for half a century, the friends of arbitration were prepared for them and are able to meet them. If somehow I could bring the opposition together into some sort of a body, I would, figuratively speaking, cut off the head and the limbs and throw the trunk away. Not one of the arguments advanced against ratification, whether based on selfishness and prejudice or inspired by honest and conscientious scruples, is tenable in the face of the public weal and the sum total of human happiness which these international agreements will vouchsafe. Or shall we seriously listen to those who, like the big-stick philosopher of Oyster Bay, insist on the perpetuation of war or to those who for business or professional reasons want us to leave the door open for fight and bloodshed? Shall the capitalist who builds our battleships and the militarist whose profession is war be called in to decide the pending questions for us, or shall we rather be guided by considerations of "the greatest good for the greatest number"? But there is still another element of opposition. Some of our Irish friends are opposed to the treaty with Great Britain for reasons which need no explanation. To the credit of that sturdy element of our citizenship be it said that the great majority did not approve and could not be induced to join demonstrations which meant the obstruction of a great *American policy* by a European heritage. And there is good ground for hope that the concession of home rule to Ireland by a liberal British Government will soon reconcile whatever opposition manifests itself from that quarter.

I might interject here, it has been stated in the public prints that even our German-American citizens were opposed to these arbitration treaties. I stand here to refute that statement. The few that have been lead astray are simply the exception which proves the rule. The great National German-American Alliance, counting 2,000,000 citizens of this country as its members, have sent an appeal to the people of Germany asking them to induce their Government to join the league of peace by negotiating, the same as Great Britain and France have done, an arbitration treaty with the United States. I think that fact disposes of every doubt as to where the German-Americans stand on this great question. [Applause.]

A few days ago the country was given a genuine surprise by the action of a labor union in this city protesting against the arbitration treaties. I say a surprise, because it is well known that labor all over the world is more or less actively enlisted in the cause of arbitration and peace for the simple reason that labor has to bear the scars and pay the freight of every war. [Applause.] How the intelligent workers everywhere must have wondered at this peculiar attitude of their Washington comrades! Is it possible that because there is a navy yard here the employees have taken such a stand from fear that through the President's peace policy they will lose their bread and butter? Surely there is no cause for alarm on that score. A reduction of armaments is sure to follow the general adoption of arbitration, because the iron law of nature stipulates that what is no longer needed will eventually cease to exist, but it is hardly probable for the present generation to derive the full benefit of such a happy eventuality. The main reason assigned for the action just referred to is that our country would soon be overrun by cheap Japanese labor, which, after the adoption of arbitration with Japan, could no longer be kept out. This objection is based on false premises, of course, but as many other good people, especially on the Pacific coast, have been misled by it, it merits special mention.

I frankly admit that it might have been preferable to prefix a preamble to all our arbitration treaties, past as well as present, by which the high contracting parties mutually guarantee to each other, first, their independence; secondly, territorial integrity; and, thirdly, absolute sovereignty in domestic affairs. The older Members of the House will remember that I have advocated this precaution on several occasion on this floor. It would at once silence a number of fears and clear the deck for a better understanding. The reason why this preamble was not inserted in the present treaties is probably because there is absolutely no danger of the questions of independence and territorial integrity ever being raised as between the United States on the one hand and Great Britain and France on the other. And as to sovereignty in home affairs, that is already a well-recognized principle of international law. In other words, in accordance with well-established international rule, no nation can interfere with another in questions of internal policy, hence the United States has a perfect right to regulate the immigration question to suit ourselves. In accordance with this right we exclude the Chinese without a treaty and Japanese laborers in pursuance of one.

And the special treaty we have with Japan on this subject would, of course, not be superseded by any arbitration treaty into which the United States and Japan might enter hereafter. The question of the interpretation of a treaty might, of course, become the subject of arbitration, and let me suggest in this connection that no government, however reluctant in its recognition of the principle of arbitration, has ever objected to its application in the matter of the interpretation of treaties. To sum up the case, no nation can, under the authority of international law, make another nation change its internal policy with regard to any subject, and if it is a matter affecting the interests of the other nation, such as immigration, changes can be brought about only by friendly negotiation and voluntary concession, but can not be demanded as a matter of right. So neither our friends of the Pacific coast nor American labor need have any fear on that score. No international tribunal or commission would ever deny to any nation the right to regulate ad libitum its own domestic affairs, or include within its dicta any decision bearing on a settled and internationally well recognized policy, such, for instance, as the Monroe doctrine.

Now, Mr. Speaker, let me briefly explain the treaties according to my understanding of their letter and spirit. The friends of arbitration have contended from the beginning that after a brief trial of the judicial system of settling international disputes the area of arbitration would soon be enlarged, and that contention has proved true. The treaties now in force expressly exempt from arbitration all so-called questions of vital interest and honor, and thus leave the door wide open for war to be ushered in, because any question, however trivial, might be puffed up, if there be a disposition to fight, to the proportions of one of vital interest or national honor. These exemptions, therefore, rendered arbitration practically futile. The pending treaties exempt nothing and broadly stipulate that all differences "which are justiciable in their nature"—and happily this is the only qualification—shall be submitted to arbitration.

This is a great step in advance on the theory that if arbitration is a good thing in any respect, why not in all respects? If judicial decisions are right nationally, why not also internationally? And have you ever given thought to the contradictory position of a nation which compels its citizens to go to court for the redress of wrongs, forbidding them to take the law in their own hands, but refuses to obey this rule of conduct itself by resorting, or maintaining the right to resort, to violence and war in the prosecution of its alleged rights? To-day, Mr. Speaker, every civilized government is guilty of such duplicity, and no one can measure the extent to which it encourages disrespect of our social order and increases the difficulty of maintaining even our domestic peace, not to mention the fighting spirit of the human animal which is kept alive by what the nations recognize abroad but forbid at home, namely, the application of force. By the new arbitration treaties this contradiction, I may say this immoral contradiction, is wiped out, the application of law and justice is made the general rule, and force is practically outlawed.

Before I speak of the technical objections which, according to public prints, have been raised against certain provisions of the treaties, permit me to point out their next great feature, second in importance only to the first article, which, as I have shown, provides for compulsory arbitration of all differences, and therefore might well bear the headline, "Let us have peace." That feature is the joint high commission of inquiry. Let us hope that the members of the other House, in their eagerness to pick flaws in the Magna Charta of peace agreed upon by three great governments, will leave unchanged the article which provides, in case of any controversy, for an impartial investigation of the facts. In making this provision the contracting governments again take high moral ground. Up to the present day each nation has presumed to be the judge in its own cause, an idea obnoxious to every sense of justice and absolutely intolerable according to the jurisprudence of every civilized country. Yet in international affairs it is the common practice to-day. That an impartial deliberative body, composed of learned jurists of both contending parties, will be a better and safer judge of the facts in a case as well as of what is right and wrong than a single nation whose passion might have been aroused and its judgment blinded by some unfortunate incident of an international nature needs, I believe, no demonstration. So here again is international conduct brought in harmony with national conduct, which compels contending parties to submit their differences to impartial judges to them unknown.

The institution of such commissions has been one of the postulates of the peace movement from its very inception, not alone

for the reason above stated, but because an investigation allows cooling time to elapse, during which the peaceful sentiment of a nation can be marshaled and all the moral forces united for compelling a peaceful settlement of the question at issue. It was one of the provisions of a model arbitration treaty which I have had the honor to draft and to present to the Brussels and the London conferences of the Interparliamentary Union, and I remember well how eloquently at the latter conference a distinguished American delegate, Mr. William Jennings Bryan, advocated its adoption. Honor to whom honor is due. Through Mr. Bryan's support I carried the day at London; and I shall never forget the applause he received when he said:

> Man excited is very different from man calm. [Applause.] When men are mad, they swagger around and say what they can do; when they are calm, they consider what they ought to do. [Applause.] The investigation gives time for the claims of conscience and reason to assert themselves.

At that time, Mr. Speaker, we were confronted by a difficulty which has a direct bearing upon the present situation. The arbitration treaties submitted by President Roosevelt to the Senate had come to naught because the Senate had changed them and insisted on being consulted in each particular case. This stickling for a prerogative proved a great obstacle to the further progress of the arbitration movement, for every student of this question knows that arbitration, in order to be effective or even to be made possible, must be resorted to without delay; that is, before the passions of the people are aroused. To refer an international dispute to a legislative body for discussion will surely add fuel to the excitement and passion of the populace, and will thus tend to render a question which might easily be arbitrated incapable of such peaceable adjudication. It was for this reason that the draft of an arbitration treaty I have just referred to specified all the several questions to be arbitrated, and we were in hopes that, if the nations at The Hague would agree to it, the Senate by its ratification would confer wholesale authority upon the Executive to enter into arbitration agreements in all the cases specified in the treaty. The same authority is impliedly to be conferred on the Executive in the pending treaties, and on this point I wish to make some special observations.

Each nation is jealous of its sovereignty, and with European rulers particularly this is sacred ground. Yet every international agreement means a surrender of part of that sovereignty, because to the extent of the terms of such an agreement the sovereign power is circumscribed. You may well imagine that this fact has proved a great obstacle, especially in Europe, to the progress of arbitration, for if the American Senate is solicitous as to its prerogatives, European monarchs are much more so with regard to their sovereign power.

Mr. DONOHOE. Will the gentleman yield?

Mr. BARTHOLDT. I will yield to the gentleman.

Mr. DONOHOE. Does the gentleman believe that the Peace Trust would make for human freedom?

Mr. BARTHOLDT. That is not exactly in line with where I was in my speech, but I shall be glad to discuss the question with the gentleman at the end of my remarks.

Mr. JACKSON. Will the gentleman yield?

Mr. BARTHOLDT. Yes.

Mr. JACKSON. I understand that the gentleman is now arguing that the power of deciding what shall be the subject of war shall be conferred on some foreign court.

Mr. BARTHOLDT. Oh, not at all. Under the pending treaties we agree to submit to arbitration every question, but before we resort to arbitration article 2 provides that a high joint commission may be appointed, to be constituted of three members of the one contending country and three members of the other contending country, and these six men shall form a joint high commission to determine the facts in the case, and also the question whether the controversy shall be submitted to arbitration or not. It is further provided that if five of these men agree that the question is arbitrable, it shall be submitted to arbitration.

Mr. JACKSON. Does not the gentleman think that that in a way takes away the power of Congress to declare war, which is a constitutional right?

Mr. BARTHOLDT. No; I think not. For one I would gladly, if conditions of the world were such as to justify it, waive the right to declare war.

Mr. JACKSON. Is it within the power of Congress to do that?

Only the people can amend the Constitution. Let me trouble the gentleman with a concrete illustration along the line of what he has been arguing. Suppose that Japan should accept the President's invitation and become a member, and the labor question should become an international question. Would not it be within the power of this commission to take out of the hands of Congress the jurisdiction and power to settle that labor question?

Mr. BARTHOLDT. No. If the gentleman had done me the honor to listen to my remarks he would have heard me say that under a well-established rule of international law no policy—and what the gentleman refers to is a policy—of any government or any people can ever be subject to arbitration, because it is a nation's internal affair. A policy can never be arbitrated.

Mr. CRUMPACKER. Mr. Speaker, will the gentleman allow me one suggestion? The treaty embraces only justiciable questions. The admission of immigrants is not a justiciable question; it is a political question, and the joint high commission are to determine what are not and what are questions of a justiciable character and what may be of a political character, and political questions are not embraced in the treaty.

Mr. JACKSON. That is just what we are talking about. Who settles that question?

Mr. BARTHOLDT. Mr. Speaker, I did not take the floor to listen to what my friend may have to say, but to say what I have to say.

Mr. JACKSON. I desire only to complete the sentence.

Mr. BARTHOLDT. Mr. Speaker, I must decline to yield at this time. If I have some time left at the conclusion of my remarks then I will be very glad to yield.

When interrupted I was speaking of the jealous regard European rulers have for their sovereignty. Yet the great cause of the world's peace has wrung concession after concession from them, and the great and holy purpose to be subserved will, let us hope, also induce our Senate to subordinate technicalities to the common good of the human family. Certain it is, Mr. Speaker, that you can not eat the cake and have it, too. In other words, we can not enter into international agreements and at the same time maintain intact in every respect what is called sovereign power or senatorial prerogative. As the individual surrenders natural rights in order to live in a community of individuals, so a nation must sacrifice part of its sovereignty in order to meet the obligations imposed by agreements with the family of nations. And remember that it is a sacrifice solely in the interest of the common welfare, in behalf of the greatest boon of all the nations—their peace. Besides, Mr. Speaker, a close study of the new treaties will disclose the fact that the prerogatives of the Senate have been as carefully guarded as they were in the old, because where actual arbitration is resorted to the special agreement in each case is subject to the "advice and consent of the Senate," and it is only where an investigation through a commission is provided that the Executive asks the Senate to confer upon it wholesale authority to so refer a question for investigation.

Mr. HAMILL. Mr. Speaker, will the gentleman yield at this point? My question is very pertinent to this subject.

Mr. BARTHOLDT. Very well, I will yield to the gentleman.

Mr. HAMILL. Is it not a fact that these treaties in the section which has been stricken out by the Senate committee divests the Senate of its constitutional power of saying what questions shall be arbitrable and what not?

Mr. BARTHOLDT. Mr. Speaker I thought I had answered that question in what I have stated here this afternoon.

Mr. HAMILL. I beg the gentleman's pardon.

Mr. BARTHOLDT. I said there are two reasons why the Senate should consent to this sacrifice. The first is that no nation should hereafter insist on being the judge in its own cause; that every nation, if its cause is just, should be willing to submit to the judgment of an unbiased, impartial tribunal, or a commission representing it and the other contending party. [Applause.] That is one reason.

Mr. HAMILL. Yes; and now, Mr. Speaker, does not that divest the United States Senate of the power conferred upon it by the Constitution, and thus by treaty alter the Constitution of the United States?

Mr. BARTHOLDT. I have just stated that in order to secure peace in this world we will have to divest ourselves of something. The individual divests himself of certain natural rights for the purpose of living in a community of nations, and a nation must divest itself of certain inherent rights, to the extent of the terms of the treaty or the agreements which may be entered into with other nations. We will come to that conception of things sooner or later whether or no. The evolution has been that way, and neither the prerogatives of the Senate nor the sovereignty of European rulers can stop it. [Applause.]

Mr. HAMILL. Would the gentleman agree to arbitrate questions arising under the Monroe doctrine?

Mr. BARTHOLDT. I have referred to that, and the gentleman has not heard me. Now, let me continue. I stated that a reservation is made in case of special agreements, and the advice and consent of the Senate must be obtained before the President can refer any case to arbitration; and this reservation in regard to the Senate, which our Government had to

make under the Constitution, explains, by the way, why in the British treaty the government of the self-governing dominion whose interests are affected is to be consulted and why in the French treaty it is stipulated that the agreement shall be "subject to the procedure required by the constitutional laws of France." These reservations, in other words, are made to place the high contracting parties on an equality. What the consent of the American Senate is to Great Britain and France is the consent of the British dominion that may be affected on the compliance with the constitutional laws of France to us.

In the short time allotted to me I could touch only very slightly the arguments in favor of the position which our great President and the Secretary of State have taken on this all-important question, but if the House will grant me the time, I shall come back to this subject on some future occasion.

I hold, Mr. Speaker, that the signing of these arbitration treaties marks a new era in the history of the world, which will come to regard brutal war as a nightmare of bygone days. It is the greatest step in advance made since the abolition of human slavery in the direction of a higher and better civilization. [Applause.] As an American I am proud of the fact that an American President has taken the initiative in the great movement for more permanent peace, namely, a peace based on law, not on force, a movement which will eventually result in relieving the human family of intolerable burdens and free the civilized world from the physical and moral damage of war. If President Taft succeeds in his world-redeeming policy, he will rank with Abraham Lincoln for having stopped man killing as the great martyr President stopped man selling. [Applause.]

The SPEAKER pro tempore (Mr. CONRY). The time of the gentleman has expired.

Mr. MANN. Mr. Speaker, I ask unanimous consent that the gentleman be allowed to proceed for five minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. BARTHOLDT. Mr. Speaker, if it was customary in such matters to do so, I would submit a resolution to the consideration of the House, reading as follows:

Resolved, That the House of Representatives approve the pending arbitration treaties between the United States and Great Britain and France as instruments to lessen the possibilities and to promote the cause of more permanent peace; and further

Resolved, That as the direct representatives of the people we call upon the Senate of the United States to ratify these treaties without change and without further delay.

[Applause.]

Mr. Speaker, I shall be very glad now to yield to anyone who desires to ask me any question.

Mr. MORSE of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. BARTHOLDT. Certainly.

Mr. MORSE of Wisconsin. Mr. Speaker, I would like to have the gentleman from Missouri explain a little more clearly to me why the Monroe doctrine could not be considered under this arbitration treaty.

Mr. BARTHOLDT. To answer my friend's question I am afraid I shall have to repeat myself. I stated that the Monroe doctrine is a policy of this Government. It is true that it affects other nations, but as soon as the other nations are willing and ready to recognize that policy, then it seems to me that policy is safe. We have evidence that not only Great Britain but nearly all the other great nations of Europe have given their silent consent to that policy of the Monroe doctrine, and consequently as a policy that matter will never be subject to arbitration. Let me add right here for the information of some gentlemen who may not have paid attention to this matter. The Monroe doctrine is not nearly as important to-day as it was even 10 years ago for the simple reason that at The Hague conference it was determined—all nations agreeing in that determination and it is now a part of the international law of the world—that contractual debts could no longer be collected by force in either Central or South America. That takes out of the Western Hemisphere nearly every element of friction which has heretofore caused trouble, and therefore, I say, the Monroe doctrine is to-day not as important as it was, and the European powers are ready to recognize it. [Applause.]

The SPEAKER. The time of the gentleman from Missouri has again expired.

Mr. HAMILL. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from New Jersey rise?

Mr. HAMILL. To ask that the time of my friend, the previous speaker, be extended for a sufficient time to answer a brief question.

Mr. GUDGER. I object.

The SPEAKER. The gentleman from Kentucky is recognized to resume the consideration of the pending bill. The question when the gentleman from Missouri began his speech was on the adoption of an amendment of the gentleman from South Carolina, and the Chair understands the gentleman from Kentucky yielded to the gentleman from Missouri.

ASSIGNMENT OF SALARIES, ETC., IN THE DISTRICT OF COLUMBIA.

Mr. BORLAND. Mr. Speaker, the bill which is before the House is H. R. 10649, to regulate the assignment of wages, salaries, and earnings in the District of Columbia. This bill is a copy of an act recently passed by the General Assembly of the State of Missouri. It is intended to obviate or do away with some of the most trying evils relating to the employment of salaried men and wage earners. It is intended to strike a blow, and a very effective and successful blow, at the loan shark. One of the greatest sources of evil in the loan-shark business is the sale of salaries. This salary selling and salary buying is not only an evil to the wage earner himself and a demoralizing influence in his employment, but it is a great evil to the family of the wage earner and frequently to the local merchants of the community. The method usually followed by these salary buyers is to take an assignment in blank of a man's wages with his signature on the bottom, but without any designation of how much he is earning, or where he had been employed, or who his employer is. They take this with the express or tacit understanding that if default is made on the payment of the loan they are to enforce their claim against the man's wages.

It frequently happens that the contract expressly provides that this assignment shall be good until the entire obligation, with all its accrued interest and penalties, are paid. The result is that if a man goes from one employer to another this obligation may follow him, and suddenly the employer may be confronted with an assignment of his wages made some time previously. I have always believed there was considerable doubt about the legality of the assignment of unearned wages. I know it has been held by the courts as to a public officer that the assignment of unearned wages is void, but where the obligation arises under a private contract with a private employer the assignment of unearned wages is valid. It has always seemed to me there should be a distinction between unearned wages generally and wages to be earned where the party is under a present contract of employment out of which the wages will arise. It is certainly true if a man sells his wages——

Mr. FINLEY. Mr. Speaker——

The SPEAKER. Does the gentleman yield?

Mr. BORLAND. In a moment I will be glad to yield. If he sells his wages when he is not under contract of employment, but sells some prospective wages he expects to earn in the future, he is doing no more than selling himself into slavery.

And if he has done that thing, if he has sold his wages before they are earned, where are the butcher and the baker and the landlord and the doctor going to get their money for looking after the physical wants of his family?

Now, this bill has two parts to it, and when I have explained it briefly I am going to yield to the gentleman from South Carolina [Mr. FINLEY]. The first part applies to earned wages, which we all concede a man has a property right in. The assignment of those shall be in writing, shall designate the employer, and shall put in the date of the assignment. A man has a property right to a certain extent in the wages he has earned. The pay time of the employer may not have come around, and for various reasons he may have a desire to assign his wages. He has a property right in them, and no great harm can ensue from his selling, under proper regulations, the wages he has earned, especially if the transaction is bona fide by putting in the name of the employer and date of actual assignment.

Now, as to unearned wages, which is the second part of the bill, the bill provides that the assignment of unearned wages shall be void. In other words, it stops this thing of a man selling himself in the future into some indefinite slavery.

Mr. CAMPBELL. Will the gentleman yield on the first proposition for a question?

Mr. BORLAND. I promised to yield to the gentleman from South Carolina, but if it is a brief question, I will yield to the gentleman from Kansas now.

Mr. CAMPBELL. It is a very brief question. Would you permit the assignment of earned wages of the head of a family without the consent of his family? I can see where it would lead under the laws of our State to a good deal of difficulty.

Mr. BORLAND. The committee, with my full approbation, have added a committee amendment to the bill that provides, in the case of a married man, that the sale of his earned wages shall be joined in by his wife. [Applause.] I accept that amendment, and with it I think the bill is perfected.

Now, my friend from South Carolina [Mr. FINLEY] has moved an amendment proposing to abolish the right to sell the wages of a married man. In my judgment, we have a tremendous evil to deal with in the assignment of unearned wages. When we come to earned wages, which a man has a property right in, I believe if we safeguard that by providing the assignment shall be joined in by his wife, we have gone just as far in that direction as we ought to go.

Mr. FINLEY. As to the earned wages, what does the gentleman mean by that? Does he mean wages that have not been paid to him, but that will be paid by the end of the month? I ask the gentleman what he means by earned and unearned wages? If the wages are earned, what is the necessity for an assignment of them?

Mr. BORLAND. If the wages are earned, what is the necessity for an assignment of them? I do not know how large a city the gentleman lives in, but here is the proposition briefly: If the gentleman were employed by a railroad company, whose pay day was the 10th or 15th of the succeeding month, and had earned 20 or 30 days' pay, but the pay day had not come around, he has a property right which under circumstances he desires to dispose of——

Mr. FINLEY. I think I understand the gentleman's definition now. I want to ask this: Is it not true that in the District of Columbia exorbitant rates of interest charges are made for loans on wages, both earned and unearned, under the gentleman's definition of wages earned and unearned? Is not that true?

Mr. BORLAND. I know it is true. I am very certain of it.

Mr. FINLEY. Now, there is no necessity for safeguarding an unmarried man. We agree to that, do we not?

Mr. BORLAND. I do not agree to that. I think the unmarried man may get into demoralizing habits in selling his unearned pay, and demoralize himself and prove a burden to his employer.

Mr. FINLEY. Does not the gentleman think that if the married man was prohibited from assigning his salary or wages in the District of Columbia it would result in a great benefit to a great majority of people in the District?

Mr. BORLAND. I will say to the gentleman that I do not believe that is necessary, for this reason: The man who loans on wages does not loan on the current month's wages, because it stands to reason if the employee could get along on his current month's wages he would not borrow money. If he is getting $50 or $60 or $100 a month he will want to borrow $150 or $200. It is an absolute necessity, you will find, that the loan shark must take security on future wages. He can not accomplish any very great evil or any great oppression by taking security on wages that are earned at the time he takes the security.

Mr. FINLEY. Now, would not this amendment as to married men put an end to that evil?

Mr. BORLAND. Well, I say the evil the gentleman speaks of is——

Mr. FINLEY. I mean the amendment I have offered—would it not put an end to that evil?

Mr. BORLAND. The evil the gentleman speaks of is largely imaginary. There is no special evil in the assignment of earned salaries.

Mr. FINLEY. The gentleman says that my amendment contemplates an imaginary evil. Is not the gentleman mistaken about that when he says the evil is imaginary? Are there not real evils existing here in the city of Washington?

Mr. BORLAND. I have already expressed what I believe in that case, that the loan shark does not do business on assignments of earned wages, but of unearned wages.

Mr. FINLEY. Is there anything in this bill that limits the rate of interest that should be charged?

Mr. BORLAND. That is not in this bill at all.

Mr. FINLEY. What law covers it?

Mr. BORLAND. This bill regulates the assignment of wages, not the rate of interest charged on loans.

Mr. FINLEY. There is no law that covers it, is there?

Mr. BORLAND. I concede that there are a great many evils in this business that ought to be reached, but they are not within the purview of this particular bill.

Mr. FINLEY. To-day is there any law that permits an assignment of wages by an employee of the United States Government? Is that in this bill?

Mr. BORLAND. There is no law on the statute books anywhere that accomplishes or even touches the purposes of this bill. As the law stands now, it has been decided in the District of Columbia that a public officer can not sell unearned pay, but he can sell earned pay, or a private employee can sell both earned and unearned pay.

Mr. FINLEY. Just at that point: Does not this bill by express provision legalize the assignment by an official of the District of his pay where it is not legalized now? Does it not legalize the assignment of his salary or his pay?

Mr. BORLAND. I do not think so.

Mr. FINLEY. I understood the gentleman to make that statement.

Mr. BORLAND. No; the gentleman misunderstands the bill. The law now is that a public officer can not sell unearned pay. This law provides that nobody can sell unearned pay. There is no conflict there. The law now is that a public officer may sell earned pay. This bill says he can do that, but it must be done in writing.

Mr. FINLEY. Does not this bill say "earned or unearned"?

Mr. BORLAND. I wish the gentleman would study the bill a little more closely. Then I could answer him more fully.

Mr. FINLEY. I did read it.

Mr. BORLAND. Now, Mr. Speaker, on the question of the sale of earned salary, the right to sell it, as I believe, is an inviolable right, and I believe a man has just as much a property right in a salary that he has earned, even though the employer has not come to the point of paying it, as he has in his house or in his horse. The only safeguard we ought to throw around the married man in the assignment of his earned salary is that we should require his wife to join him in the assignment. Now, as to unearned salary, if a man commences to sell his unearned salary he goes on selling it, and it not only demoralizes him, but it also demoralizes the service he is in. He is not working for his employer any more, whether it be the District of Columbia or a private employer, but he is working for a loan shark; he is working each month in order to take down his wages to a loan shark. He is not giving the loyalty and fidelity of service he ought to give to his employer. The practice is demoralizing to him. Besides that, his wages are tied up. What does the landlord or landlady do for his board at the end of the month in trying to get it out of him? What does the butcher and the doctor and the other people in the community do when they try to get money from him which is due them? This law has been the most popular, the most universally credited to be a just law that has been passed recently in the State of Missouri.

Now, I desire to yield three minutes to the gentleman from Tennessee [Mr. SIMS].

The SPEAKER. The gentleman has no time to yield. The gentleman from Kentucky [Mr. JOHNSON] can yield.

Mr. BORLAND. Then I will ask the gentleman from Kentucky [Mr. JOHNSON] to yield it.

Mr. JOHNSON of Kentucky. I yielded all my time to the gentleman from Missouri [Mr. BORLAND].

The SPEAKER. The gentleman from Missouri can yield it back.

Mr. BORLAND. I yield back the unexpired time.

Mr. JOHNSON of Kentucky. I yield three minutes to the gentleman from Tennessee.

Mr. SIMS. Mr. Speaker, I have no objection to this bill. I think it is a good measure, and I would not undertake to improve it by amendment without having studied it; but I want to call the attention of the House, and particularly of the District Committee, to what I think is an evil that ought to be remedied by statute. I have heard that there are bureau chiefs or heads of bureaus who borrow money from their subordinates. The standing or efficiency record of these employees is made out by these chiefs, who borrow the money from them. This creates an interest between them which I am sure has had the effect to prevent some men and women from getting as good records as they should have, because they have not had the money to loan, while others more fortunate have had the desired funds.

There is another thing which grows up out of such a practice. The newspapers state that a regular gambling game was run here in one of the bureaus. Now, I am not a gambler and never was, but I have always heard that gambling leads to borrowing, and I do think this matter ought to be remedied by proper legislation.

Mr. FOSTER of Illinois. Does the gentleman say that there is such a condition that the chiefs loan to the subordinates, or the subordinates loan to the chiefs?

Mr. SIMS. I am advised that the chiefs borrow from the subordinates. Of course, the subordinates must loan, or the chiefs could not borrow.

Mr. FOSTER of Illinois. That is a peculiar condition.

Mr. SIMS. And I have heard of cases where the chief wanted to borrow and did not get the money, and had then treated that particular person without the consideration to

which he was entitled. I do not want any committee to investigate this matter, but we can and ought to pass a proper law, without any investigation, to prevent borrowing by one Government employee from another.

Mr. FINLEY. The case cited by the gentleman was substantially a holdup, was it not?

Mr. SIMS. Oh, the gentleman can construe it as well as I can.

Mr. FINLEY. It was a holdup, under the gentleman's statement.

Mr. MADDEN. The gentleman could not stop me from borrowing $5 of him if I could get it, could he?

Mr. SIMS. I do not think it would take a law in a case of that kind, where there would be inability to comply with the request. [Laughter.]

Mr. JACKSON. Does not the civil-service law already cover that point, in providing that no thing of value shall be given for the purpose of obtaining a report?

Mr. SIMS. It is not done in that way. It is not given for that purpose; but where that condition exists, some employees believe they have not received the record standing they should have received, in consequence of having no money to loan.

Mr. JACKSON. It seems to me if the law were properly enforced, those things could be made to appear to be a valuable consideration.

Mr. SIMS. I think that absolute discharge from the service should be the penalty.

Mr. JOHNSON of Kentucky. I yield one minute to the gentleman from Pennsylvania [Mr. MOORE].

Mr. MOORE of Pennsylvania. Mr. Speaker, all I desire to do is to offer an amendment to this bill. I understand there are some committee amendments pending.

The SPEAKER. To which amendment does the gentleman propose his amendment?

Mr. MOORE of Pennsylvania. I propose to offer an amendment to the bill. I appreciate the courtesy of the gentleman from Kentucky in yielding me time.

The SPEAKER. The Clerk may read the amendment for information.

The Clerk read as follows:

Page 1, line 6, after the word "due," insert "and shall be witnessed by at least two persons."

Mr. MOORE of Pennsylvania. Mr. Speaker, the purpose of this amendment is merely to authenticate the signature of the person making the assignment. The business of borrowing money on salaries and making assignment of wages and salary by clerks of the Government is deplorable, and as many safeguards as possible should be thrown about it. There have been instances in my own knowledge where loans have been made on wages where there has been a dispute as to the signature of the assignor; disputes have arisen between husband and wife, between employer and employee, and it seems to me that in this particular instance, where we propose to safeguard the assignments, we should have at least two witnesses to the signature. That is the purpose of the amendment.

Mr. DYER. Mr. Speaker, I desire to offer an amendment and have it read at this time.

The Clerk read as follows:

Page 2, at the end of line 4, insert: *"Provided further,* That no assignment of salary or wage shall be valid if a usurious rate of interest is charged for the loan in connection with which the assignment is made."

Mr. DYER. Mr. Speaker, this bill is one that is much needed in this city. It is a bill that will give some relief. There are others needed along the line of regulating the loan of money at highly illegal rates of interest. There ought to be a law passed protecting the people against these people who loan money on chattels and furniture at illegal rates of interest, in many instances as high as 10 per cent a month. It is to be hoped, Mr. Speaker, that the amendment I have presented will be adopted. It will in a way protect a great many of the people who make assignment of wages and who now only receive half and less than half their wages, while the balance goes to the people making the loan.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move the previous question on the bill and amendments.

Mr. MANN. I suggest that the gentleman from Kentucky can not move the previous question on the bill and all the amendments that have been read for information unless he asks unanimous consent.

Mr. JOHNSON of Kentucky. I ask unanimous consent.

The SPEAKER. The gentleman from Kentucky asks unanimous consent that the previous question be ordered on the bill and the amendments pending. Is there objection?

There was no objection.

Mr. JOHNSON of Kentucky. I ask for a vote on the first committee amendment.

The SPEAKER. The question is on adopting the first committee amendment.

The question was taken, and the first committee amendment was agreed to.

The SPEAKER. The question now is on the amendment of the gentleman from South Carolina [Mr. FINLEY] to the second committee amendment, which the Clerk will report.

The Clerk read as follows:

Strike out all of line 4 after the word "valid."

The question was taken, and the amendment was lost.

The SPEAKER. The question now is on agreeing to the second committee amendment.

The question was taken, and the second committee amendment was agreed to.

The SPEAKER. The question now is on the amendment offered by the gentleman from Pennsylvania [Mr. MOORE], which the Clerk will report.

The Clerk read as follows:

Page 1, line 6, after the word "due," insert "and shall be witnessed by at least two persons."

The question was taken, and the amendment was agreed to.

The SPEAKER. The question now is on the amendment offered by the gentleman from Missouri [Mr. DYER], which the Clerk will report.

The Clerk read as follows:

Page 2, at the end of line 4, add:
"Provided further, That no assignment of salary or wage shall be valid if a usurious rate of interest is charged for the loan in connection with which the assignment is made."

The question was taken, and the amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. JOHNSON of Kentucky, a motion to reconsider the vote whereby the bill was passed was laid on the table.

INSURANCE COMPANIES IN DISTRICT OF COLUMBIA.

Mr. JOHNSON of Kentucky. Mr. Speaker, I call up the bill (H. R. 12737) to amend the Code of Law for the District of Columbia regarding insurance.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 646, chapter 18, Code of Law for the District of Columbia, be, and the same is hereby, amended by inserting after the semicolon in line 20 the words "and such other information as said superintendent may require," so as to read:

"SEC. 646. Duties of superintendent, etc.: It shall be the duty of said superintendent to see that all laws of the United States relating to insurance or insurance companies, benefit orders, and associations doing business in the District are faithfully executed; to keep on file in his office copies of the charters, declarations of organization, or articles of incorporation of every insurance company, benefit association, or order, including life, fire, marine, accident, plate-glass, steam-boiler, burglary, cyclone, casualty, live-stock, credit, and maturity companies or associations doing business in the District; and before any such insurance company, association, or order shall be licensed to do business in the District it shall file with said superintendent a copy of its charter, declaration of organization, or articles of incorporation, duly certified in accordance with law by the insurance commissioners or other proper officers of the State, Territory, or nation where such company or association was organized; also a certificate setting forth that it is entitled to transact business and assume risks and issue policies of insurance therein; and if its principal office is located outside the District it shall appoint some suitable person, resident in said District, as its attorney, upon whom legal process may be served; and such other information as said superintendent may require; and the fees for filing with the superintendent such papers as are required by this section shall be $10, to be paid to the collector of taxes, and no other license fee shall be required of such insurance companies or associations except as provided in sections 654 and 655 of this subchapter. Said superintendent shall have power to make such rules and regulations, subject to the general supervision of the commissioners, not inconsistent with law, as to make the conduct of each company in the same line of insurance conform in doing business in the District."

With the following amendments:

Page 2, line 17, after the word "therein" insert "and such other information as said superintendent may require;".

Page 2, line 21, after the word "served" strike out "; and such other information as said superintendent may require," and insert in lieu thereof the following: *"Provided, however,* That should said company or association neglect or refuse to appoint such attorney, or should such attorney absent himself from the District, said legal process may be served upon the superintendent of insurance of the District of Columbia,".

The SPEAKER. Is a separate vote demanded on any amendment? If not, the amendments will be put in gross. The question is on agreeing to the committee amendments.

The question was taken, and the committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. JOHNSON of Kentucky, a motion to reconsider the last vote was laid on the table.

COMMODORE BARNEY CIRCLE, DISTRICT OF COLUMBIA.

Mr. JOHNSON of Kentucky. Mr. Speaker, I call up the bill (H. R. 5618) to confirm the name of Commodore Barney Circle for the circle located at the eastern end of Pennsylvania Avenue SE., in the District of Columbia, and inasmuch as a similar bill has been passed by the Senate I ask unanimous consent to discharge the Committee on the District of Columbia from further consideration of the bill (S. 306) to confirm the name of Commodore Barney Circle for the circle located at the eastern end of Pennsylvania Avenue SE., in the District of Columbia, and to substitute that bill in lieu of the bill H. R. 5618 and that the bill H. R. 5618 do lie on the table.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the Senate bill.

The Clerk read as follows:

Be it enacted, etc., That from and after the passage of this act the circle located at the eastern end of Pennsylvania Avenue SE., in the District of Columbia, now known as public reservations Nos. 55 and 56, shall be officially known and designated "Commodore Barney Circle."

Mr. JOHNSON of Kentucky. Mr. Speaker, I yield five minutes to the gentleman from California, Mr. KAHN.

Mr. KAHN. Mr. Speaker, the residents of the southeastern section of Washington have asked for this legislation. There is a circle at the eastern end of Pennsylvania Avenue. It is at present unnamed, and, to my mind, it is eminently fitting and proper that it should be officially designated "Commodore Barney Circle." During the War of 1812 a powerful British fleet came into Chesapeake Bay and forced the few American vessels under command of Commodore Joshua Barney, that were protecting Washington, into the Patuxent River. This occurred in August, 1814. The British vessels were very much larger than the American ships, and they practically bottled up the American fleet in that stream. About August 21 the British troops, under command of Gen. Ross, of the British Army, and Admiral Cockburn, of the British Navy, disembarked at a point called Benedicts and started on their march to capture the city of Washington. Commodore Barney, who was in command of the American flotilla, hearing of this movement, immediately disembarked his men and hastened toward Washington to protect the city. They took possession of this very circle and pointed their guns toward the other side of the old bridge across the Eastern Branch, at the foot of Pennsylvania Avenue SE., from which direction they expected the British to approach. President Madison and members of his Cabinet went to the point where the American sailors and marines were stationed and had a conference with them. While this conference was in progress word came that the British had marched toward Bladensburg, whereupon Commodore Barney immediately asked permission to march his forces to that point. Permission having been granted, he started to meet the British, and came up with the American militiamen just at the boundary line between Maryland and the District of Columbia. Here he placed his forces in battle array.

Mr. MADDEN. Mr. Speaker, will the gentleman yield for a question?

Mr. KAHN. Certainly.

Mr. MADDEN. Is it the purpose, following the passage of this bill, to follow it with another asking for an appropriation for a statue?

Mr. KAHN. I have no knowledge of such intent. It seems that after Commodore Barney had taken his position on the field of battle most of the Maryland militiamen ran away without having fired a single shot. The battle was ironically called the "Bladensburg Races." Both British and American authorities assert that if the soldiers had fought as well as the sailors and marines under Commodore Barney, the chances are that the city of Washington would not have been burned. As it was, Commodore Barney held the British in check for some little time. His cannon played havoc among the enemy, of whom 500 were either killed or wounded. The commodore only had about 500 in his entire command. He himself had his horse killed under him, and then was severely wounded in the thigh and was taken prisoner on the field of battle. The bullet could not be extracted, and it is believed that the wound he received resulted in his ultimate death four years later.

Mr. MANN. Will the gentleman yield for a question?

Mr. KAHN. Certainly.

Mr. MANN. Where is this circle?

Mr. KAHN. At the eastern end of Pennsylvania Avenue, in southeast Washington.

Mr. MANN. Is there anything on it now?

Mr. KAHN. Nothing whatever.

Mr. MANN. No statue of Commodore Barney?

Mr. KAHN. Nothing whatever; not even the old earthworks that he erected when he planted his cannon there to keep the British out of Washington.

Mr. MANN. Does not the gentleman think this bill should be brought under that rule requiring all bills making a charge upon the Treasury to be considered in the Committee of the Whole?

Mr. KAHN. I do not think that this makes a charge upon the Treasury.

Mr. MANN. Well, I shall do my best to prevent it from being a charge on the Treasury, but, after all, I have no doubt it will.

Mr. KAHN. The citizens of southeast Washington have not expressed any desire to have a statue there.

Mr. MANN. It shows they are very smooth.

Mr. KAHN. The gentleman has been here longer than I; he has perhaps known them better than I.

Mr. MADDEN. Perhaps they have not taken the gentleman from California into their confidence yet. The gentleman from Pennsylvania, however, understands it.

Mr. KAHN. Mr. Speaker, it is narrated that when Gen. Ross and Admiral Cockburn came up with the doughty commodore and learned his rank and station, the former exclaimed, "I am very glad to meet you." Whereupon Barney promptly rejoined, "I am not at all glad to meet you, sir." He was promptly paroled, after having had his wound dressed by a British surgeon, and personally agreed to see that the officers and men of the British forces who were wounded in the battle should be properly exchanged when they were reported ready for duty. The corporation of the city of Washington presented Commodore Barney with a sword as a testimonial of the high sense they entertained of his distinguished gallantry and good conduct at the Battle of Bladensburg. The States of Pennsylvania, Georgia, and Kentucky also adopted resolutions by their respective legislatures commending the splendid services of this hero of Bladensburg.

Commodore Barney had also taken an active part in the Revolutionary War. He participated in a large number of naval actions during the struggle for independence, and as captain of the *George Washington* was sent on a number of hazardous expeditions for the Colonies by order of the Superintendent of Finance, Robert Morris, who placed the utmost confidence in the bravery and the ability of the young naval officer. Barney invariably executed his orders with skill and dispatch, and won the esteem and admiration of the leaders of the Revolution.

After the War of 1812 he determined to settle on a tract of land he had acquired in Hardin County, Ky., in 1794. With his wife and her sister he visited his property in 1816, and spent nearly a year on his new estate. Returning to Baltimore he proceeded to wind up his business affairs in that city, and in October, 1818, started with all his family for the new home. He was taken ill at Brownsville, Pa., but managed to proceed as far as Pittsburgh. Here, on the night of November 30, 1818, he was taken with a violent spasm, and on the following morning a second spasm occurred, during which he suddenly expired. It is eminently proper that this bill to give his name to the circle at the eastern end of Pennsylvania Avenue should pass. [Applause.]

The Senate bill was ordered to be read a third time, was read the third time, and passed.

ENROLLED BILLS SIGNED.

The SPEAKER announced his signature to enrolled bills of the following titles:

S. 2932. An act to authorize the Secretary of the Treasury, in his discretion, to sell the old post-office and courthouse building at Charleston, W. Va., and, in the event of such sale, to enter into a contract for the construction of a suitable post-office and courthouse building at Charleston, W. Va., without additional cost to the Government of the United States; and

S. 3152. An act extending the time of payment to certain homesteaders in the Rosebud Indian Reservation, in the State of South Dakota.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed without amendment bills of the following titles:

H. R. 6747. An act to reenact an act authorizing the construction of a bridge across St. Croix River, and to extend the time for commencing and completing the said structure; and

H. R. 11303. An act for the relief of Eliza Choteau Roscamp.

The message also announced that the Senate had passed the following resolution, in which the concurrence of the House of Representatives was requested:

Senate concurrent resolution 7.

Resolved by the Senate (the House of Representatives concurring), That the President of the United States be, and he is hereby, requested to transmit in the name and on behalf of the city of Key West, Fla., to all foreign nations an invitation to visit that city and participate in the celebration of the completion of the Florida East Coast Railway Co.'s line connecting the mainland of the United States with the said island city of Key West, both by their official representatives and citizens generally, and particularly to invite such foreign countries to send such of their respective naval vessels as may be practicable and convenient to participate in such celebration so to be held, beginning on the 2d day of January, A. D. 1912: *Provided*, That before the extending of said invitations the President shall be satisfied that suitable provisions have been made by said city for the entertainment of the parties or representatives of such Governments or countries so invited.

Resolved further, That the President be, and he is hereby, requested to direct such portion of the Army and Navy of the United States as may be convenient and practicable to be present at Key West at the time of such proposed celebration and participate therein.

Resolved further, That under no circumstances is the United States to assume, be subject to, or charged with any expense of any character whatsoever in or about or connected with such proposed celebration.

PRESERVATION OF PUBLIC PEACE AND PROPERTY IN THE DISTRICT OF COLUMBIA.

Mr. JOHNSON of Kentucky. Mr. Speaker, I call up the bill H. R. 8622.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

A bill (H. R. 8622) to amend section 4 of "An act for the preservation of the public peace and the protection of property within the District of Columbia," approved July 29, 1892, as to kiteflying.

Be it enacted, etc., That section 4 of "An act for the preservation of the public peace and the protection of property within the District of Columbia," be, and the same is hereby, amended to read as follows:

"That it shall not be lawful for any person or persons to set up or fly any *kite*, or set up or fly any fire balloon or parachute in or upon or over any street, avenue, alley, open space, public inclosure, or square within the limits of the District of Columbia, under a penalty of not more than $10 for each and every offense."

The committee amendments were read, as follows:

Amend by striking out the word "set" after the word "to" in line 8, and insert in lieu thereof the word "send."

Further amend said line by striking out the words "any kite, or set up or fly," which words are the sixth, seventh, eighth, ninth, tenth, eleventh, twelfth, and thirteenth words of said line.

Further amend by striking out in lines 9 and 10 the words "or upon or over any street, avenue, alley, or open space, public inclosure, or square within the limits of."

Further amend by inserting after the word "or" at the end of line 8 the word "fire."

Further amend by striking out the word "kiteflying" at the end of the title and by inserting in lieu thereof the following: "as to the flying of fire balloons or fire parachutes."

Mr. CAMPBELL. Mr. Speaker, I understand these amendments, which have been hurriedly read, provide that the law shall only apply to a kite that takes up some fire in connection with it and would not prevent a boy from innocently flying a kite.

Mr. JOHNSON of Kentucky. The bill is left so the boys can fly their kites, but they can not send up fire balloons.

Mr. CAMPBELL. I am for the boy having permission to fly his kite.

Mr. JOHNSON of Kentucky. So am I.

Mr. MANN. I suggest to the gentleman from Kentucky that in the body of the bill he also amend it so as to give the date of the approval of the act. It is in the title, and I suggest that he insert, after the word "Columbia," in line 5, on page 1, the words "approved July 29, 1892."

Mr. JOHNSON of Kentucky. Mr. Speaker, I accept that amendment.

Mr. MANN. It is in the title, but not in the body of the bill.

Mr. JOHNSON of Kentucky. I ask that those words be inserted, Mr. Speaker, after the word "Columbia."

The SPEAKER. The Clerk will report the amendment accepted by the gentleman from Kentucky.

The Clerk read as follows:

Page 1, line 5, after the word "Columbia," insert the words "July 29, 1892."

Mr. DYER. Mr. Speaker, I want to make a suggestion to the gentleman from Kentucky, chairman of the committee, in regard to the title of the bill——

Mr. JOHNSON of Kentucky. There is an amendment to correct the title after the bill is passed.

Mr. DYER. Very well.

The question was taken, and the committee amendments were adopted.

The question was taken, and the amendment to the committee amendment was adopted.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read as follows: "A bill to amend section 4 of 'An act for the preservation of the public peace and the protection of property within the District of Columbia,' approved July 29, 1892, as to the flying of fire balloons or fire parachutes."

On motion of Mr. JOHNSON of Kentucky, a motion to reconsider the vote by which the bill was passed was laid on the table.

ANNUAL STATEMENTS OF INSURANCE COMPANIES IN THE DISTRICT OF COLUMBIA.

Mr. JOHNSON of Kentucky. Mr. Speaker, I call up the bill S. 1785.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

An act (S. 1785) to amend section 647, chapter 18, Code of Law for the District of Columbia, relating to annual statements of insurance companies.

Be it enacted, etc., That section 647, chapter 18, Code of Law for the District of Columbia, be, and the same is hereby, amended to read as follows:

"SEC. 647. Annual statements: The said superintendent shall furnish, in December of each year, to every insurance company or association, local, domestic, and foreign, doing business in the District of Columbia, or its agent or attorney in the District, the necessary blank forms for the annual statements for such company or association, which shall be returned to the superintendent on or before the 1st day of March in each year, signed and sworn to by the president or vice president and secretary or assistant secretary, or, if a foreign company, by its manager or proper representative within the United States, showing its true financial condition as of the next preceding 31st day of December, which shall include a classified statement of its assets and liabilities on that day, the amount and character of business transacted, losses sustained, and money received and expended during the year, and such other information as the said superintendent may deem necessary. Such annual statements shall be printed in at least one daily newspaper published in the District of Columbia, in the month of March in each year, and any such company or association failing to comply with the provisions aforesaid shall have its license to do business in the District revoked."

Mr. MANN. I see this requires the publication of these statements in the daily newspapers. That is a new proposition. Does the gentleman think that is necessary in the District of Columbia, and is it of any more advantage to publish these statements in a daily newspaper?

Mr. JOHNSON of Kentucky. I think not.

Mr. MANN. It is more likely to be of advantage in some insurance paper, where it could be used. If the gentleman does not object, I would like to offer a motion to strike out the word "daily."

Mr. JOHNSON of Kentucky. I accept the amendment.

Mr. JACKSON. What is the purpose of any publication at all? It does not occur to me that is usual in the States in such laws as this. If a man is interested in an insurance company the statements are filed with the State superintendent or commissioner, and he can go there and inspect them. What is the use of putting them to the expense of publishing these long statements?

Mr. MANN. These statements are ordered published now. It is a mere repetition. I do not know that there is any reason for it.

Mr. JOHNSON of Kentucky. The foreign companies are now required to do this, and the effect of this bill is to put the local companies on the same footing as the foreign companies.

Mr. MANN. That is all. Mr. Speaker, I offer an amendment, on page 2, line 12, by striking out the word "daily."

The SPEAKER. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 2, line 12, strike out the word "daily."

The SPEAKER. The question is on the amendment of the gentleman from Illinois.

Mr. MOORE of Pennsylvania. Mr. Speaker, I would like to say a word in regard to this matter of publication. I am opposed to the amendment in the form in which it is presented. It seems to me a very important matter in the supervision of an insurance company that the public should have notice by advertisement. If you strike out a "daily newspaper," as is proposed by the gentleman from Illinois, you leave it to the discretion of somebody to put it in a paper where it never will be seen, and most of you gentlemen who are lawyers understand full well——

Mr. RAKER. Will the gentleman yield to a question?

Mr. MOORE of Pennsylvania. I will in one moment.

Mr. RAKER. I just wanted to make a suggestion, namely, to insert, after the word "newspaper," the words "general circulation," and you have got the whole thing covered.

Mr. MOORE of Pennsylvania. I do not know why it should not be a daily newspaper. As a matter of fact, there ought to

be two daily newspapers. There are four in the District of Columbia. If the purpose is to have this statement kept from the public, which is interested, then give somebody discretion to put it in the small corner of a monthly or a weekly that is published somewhere in a back street and has no circulation. If you want to protect the public, put it in a newspaper of large circulation, so that the public may see it. The very purpose of this amendment to the insurance law is to give protection to those who go into these companies.

Mr. MANN. Will the gentleman yield for a question?

Mr. MOORE of Pennsylvania. Yes.

Mr. MANN. I know how very active and industrious the gentleman is. Does the gentleman read thoroughly all of these Washington dailies, and all the advertisements?

Mr. MOORE of Pennsylvania. I read them very carefully, but not all the advertisements.

Mr. MANN. All of the dailies? I wish the gentleman would cease and put his time to better business.

Mr. MOORE of Pennsylvania. I want to say to the gentleman that, unless the entire theory of publication is wrong, the gentleman simply gives recourse to those who would hide information from the public, and affords them an opportunity to do so. I know very well that many of you gentlemen who are members of the bar, sometimes, when you want to give public notice, and have discretion as to the newspapers in which that notice shall be given, when it is desired the defendant shall not see it, go somewhere into a remote district in order to make publication. But when I want the public to know what the condition of an insurance company is I would have that publication in a newspaper that is published daily and which has a large circulation, where the public, that is interested, may have the opportunity to see it. I certainly am not in favor of the gentleman's amendment.

Mr. MADDEN. Which of the four daily newspapers would the gentleman select, then?

Mr. MOORE of Pennsylvania. I would make it two daily papers rather than to make it no daily paper at all. Of course it should not be published in a trade journal. The man who takes out a policy from one of these companies is not supposed to be a subscriber to a trade journal. The man who pays the premium and pays out money for insurance in one of these companies would never know of the condition of the company if the advertisement of the statement of the company went into a trade journal. That journal goes to the trade, but the trade is not always keeping confidence with the innocent policy holder in the city of Washington. I say give them a chance in a newspaper that they read, and then they will have a chance to know if they are in any danger or not.

Mr. KINKEAD of New Jersey. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Pennsylvania yield to the gentleman from New Jersey?

Mr. MOORE of Pennsylvania. I do.

Mr. KINKEAD of New Jersey. Why would not the gentleman from Pennsylvania go a step further and meet the conditions that are brought up in this bill the same as we have met them in New Jersey, where, in addition to saying a "daily newspaper," we say a "daily newspaper having the largest circulation in the district"?

Mr. MOORE of Pennsylvania. The trouble with selecting the paper with the largest circulation is that we would then have the embarrassment of choosing from among the finest lot of affidavits that were ever seen about the relative circulations of the different newspapers. I think the "largest circulation" among newspapers is like the "best cigar." You can get it in every cigar store.

Mr. KINKEAD of New Jersey. If we are going to do it, let us do it right.

Mr. MANN. Will the gentleman yield for a question?

The SPEAKER. Does the gentleman from Pennsylvania yield to the gentleman from Illinois?

Mr. MOORE of Pennsylvania. I do.

Mr. MANN. The gentleman from New York [Mr. FITZGERALD] makes a suggestion that strikes me very happily, and I want to inquire of the gentleman from Pennsylvania if it strikes him so. The suggestion is, Would the gentleman recommend that these statements be published in the CONGRESSIONAL RECORD, at regular advertising rates? [Laughter.]

Mr. MOORE of Pennsylvania. If that were done, the advertisements would, at least, be seen by Members of Congress.

Mr. JACKSON. Does the gentleman think these statements would be read any more by the public than by the insurance managers?

Mr. MOORE of Pennsylvania. If you are going to ascertain the newspaper having the "largest circulation" you could get affidavits of all kinds, just as you can get opinions about the "best cigar."

Mr. JACKSON. Does not the law require the insurance companies to get permission from the superintendent of insurance before the companies can undertake to do business?

Mr. MOORE of Pennsylvania. This law is largely intended to affect domestic companies that have been doing business here in the District.

Mr. JACKSON. All of these companies must have the certificate from the superintendent before entering into business, must they not?

Mr. MOORE of Pennsylvania. I think so; yes.

Mr. JACKSON. Is he not better informed on the subject than the public?

Mr. MOORE of Pennsylvania. He ought to be informed, but I think it is the duty of the legislative body to protect the public. During the last month a number of so-called mutual insurance companies in my city went to the wall before the innocent subscribers or policy holders knew the actual condition of these companies; and here on the floor the other day the gentleman from Kentucky [Mr. JOHNSON] described a number of companies that are doing business in the District of Columbia concerning which evidently the people paying their money into them knew nothing. I submit, if it is to be a trade secret as to what the condition of the company is, then it would seem we are making a mockery of the pretense of protecting the public. The public ought to be advised through two daily newspapers, at least once a year, of the condition of these companies.

I am quite sure that if an advertisement appearing in any one of the four daily newspapers in Washington were to show that the stocks and bonds of an insurance company were "cats and dogs," some people would make an inquiry and bring the matter to the attention of the superintendent of insurance; and I am quite sure that if publication were made of the fact that poor investments had been made by the officers of these companies, and that the funds paid in by the policy holders were not secured, there would be an inquiry that might stop the wreck and prevent a great loss on the part of those whose money is at stake.

Mr. BOWMAN. This bill provides that the publication must be made in the month of March. Why could not anyone who wanted to know about this business look through the publications of that month? Is there any difficulty about procuring all the publications and securing all the information desired?

Mr. MOORE of Pennsylvania. I do not understand the gentleman's question, but I will repeat what I said.

Mr. BOWMAN. I will repeat it, so that the gentleman can understand it. The bill provides that the publication must be made in the month of March. If all of the libraries in the city of Washington can be supplied with these documents, why put a company to the expense of making an advertisement in a daily newspaper?

Mr. MOORE of Pennsylvania. In order to make it clear to the House and to bring it to the understanding of the gentleman, I will repeat that the bill should provide, just as it does provide, that there should be an annual publication of the condition of these companies by the superintendent of insurance and that the people who do business with these companies should be informed, so that if anything is wrong they will be able to take steps to right it.

I am certainly opposed to the amendment offered by the gentleman from Illinois, and hope the House will defeat it.

Mr. MANN. Mr. Speaker, just a word on the amendment. The law now requires that the local insurance companies incorporated here shall publish these statements in some newspaper. This bill proposes to require the foreign insurance companies, or companies located outside of Washington and doing business here, to make a statement which is rather long and complicated, and to have that published in a daily newspaper. My friend from Pennsylvania [Mr. MOORE] seems to assume that the public will read these statements, and that a man who takes out insurance will study the daily papers to see whether the company that he is insured with is solvent. Everybody knows that is not true. The gentleman from Pennsylvania [Mr. MOORE] does not read the insurance companies' statements. I do not read the insurance companies' statements. The gentleman from Pennsylvania pleads guilty to the offense of reading all the Washington dailies. God forbid that I should ever be guilty of that offense!

The people who read the insurance companies' statements are the insurance agents, the men who are dealing in insurance; and if they find that one company makes a statement that shows it is not solvent, the agents of the other companies will knock that company. They will tell the people who insure that the

company is not in good standing, and they will do it quickly enough.

Mr. JOHNSON of Kentucky. As the law now stands, under an opinion rendered in 1908, only foreign companies are required to publish these statements. The local companies are not required to publish them.

Mr. FOSTER of Illinois. That is all the difference.

Mr. JOHNSON of Kentucky. That is all the difference. The local companies are not now required to publish, and this bill proposes to require them to do so.

Mr. FOSTER of Illinois. The local companies are not required to publish. This makes it apply to local companies as well as foreign.

Mr. MANN. I think the gentleman is mistaken about that.

Mr. FOSTER of Illinois. No; here is the law.

Mr. MANN. I have examined the law. The gentleman may be correct. It is not important. I think the present law applies to local companies, and that this law is intended to apply to every insurance company, local, domestic, or foreign. The language in this bill "local, domestic, or foreign," is new and not in the existing law. The existing law reads:

The said superintendent shall furnish, in December of each year, to every company or association hereinbefore mentioned doing business in the District of Columbia, its agent or attorney—

I think that applies only to local companies. However, that is neither here nor there on this question.

I can see no reason for making these insurance companies pay a very high and exorbitant rate for the publishing of these statements in one of the daily newspapers when that is about the last place that anyone who is specially interested will look for them.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. MANN. Certainly.

Mr. MOORE of Pennsylvania. Does not the gentleman know that advertising rates in the trade journals are frequently in excess of the rates in the daily newspapers, and that to publish these statements in the trade papers would cost the insurance companies more than it would to publish them in the dailies?

Mr. MANN. That might be in some trade papers, but it would not happen here. The advertising rates in the Washington daily papers are rather high, and the daily papers are not the place where people look for those things.

Mr. KINKEAD of New Jersey. Where do they look for them?

Mr. MANN. In the trade papers.

Mr. KINKEAD of New Jersey. My God, they never read them at all.

Mr. MANN. The gentleman would never look for them in any place, and neither would I; but the insurance agents will look for them in one place, and that is in the trade papers where these advertisements are ordinarily published. Perhaps the gentleman reads the Washington Times. That is a great paper; but an advertisement might be published in it from now until Congress adjourns, and the chances are the gentleman would not take the opportunity to read the advertisements. For that matter they might publish an advertisement in any of the Washingon papers, and I think I would not read the advertisements. The gentleman may have nothing else to do in the House except read the advertisements in the daily papers.

The SPEAKER. The question is on the amendment of the gentleman from Illinois to strike out the word "daily."

The question being taken, the amendment was rejected.

Mr. KINKEAD of New Jersey. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Line 12, page 2, strike out the word "one" and insert the word "two." Strike out the word "newspaper" and insert the word "newspapers." Line 13, page 2, add after the word "published" the words "having the largest circulation."

The SPEAKER. The question is on the amendments offered by the gentleman from New Jersey.

The question was taken, and on a division (demanded by Mr. KINKEAD of New Jersey) there were 8 ayes and 24 noes.

So the amendments were lost.

Mr. JACKSON. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Strike out, in line 7, page 2, the word "classified" and insert after the word "liability," line 8, page 2, the following: "classified according to regulations made by the superintendent of insurance."

Mr. JACKSON. Mr. Speaker, I think the amendment is of importance. I think the experience of all State departments concerning reports will show that the companies file reports in such a shape that they are of little value. They are of no value particularly for the purpose of obtaining the actual experience of fire insurance companies concerning their losses and the rates of insurance.

I have offered this amendment because I have offered a resolution which looks to a national investigation concerning the reasonableness and fairness of fire insurance rates and their relation to fire causes in this country. It is an important subject to the American people at this time.

I simply say now that every superintendent or commissioner of insurance in the country will tell you that he is not able to tell anything about what the actual fire experience and fire losses of a company are, because they refuse to classify losses according to any reasonable plan. Therefore I think while this law is being amended the superintendent of insurance should be given authority to compel these companies, when stating their losses, assets, and liabilities, to so classify them that they will amount to something and give some information to the people.

The SPEAKER. The question is on the amendment offered by the gentleman from Kansas.

The question was taken, and the amendment was agreed to.

The SPEAKER. The question now is on the third reading of the amended Senate bill.

The question was taken, and the bill as amended was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. JOHNSON of Kentucky, a motion to reconsider the votes whereby the last two bills were passed was laid on the table.

ADJOURNMENT.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 35 minutes p. m.) the House adjourned until to-morrow, Tuesday, August 15, 1911, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, a letter from the Secretary of the Department of Commerce and Labor, recommending that legislation be enacted authorizing the leasing for a period of five years of a fireproof building for general office use by said department (H. Doc. No. 104), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 13560) granting a pension to Filen Whalin, and the same was referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. ADAMSON: A bill (H. R. 13563) to provide for the construction of four revenue cutters; to the Committee on Interstate and Foreign Commerce.

By Mr. ROBERTS of Massachusetts: A bill (H. R. 13564) to purchase a painting of the several ships of the United States Navy known as the Squadron of Evolution and entitled "Peace"; to the Committee on the Library.

By Mr. STONE: A bill (H. R. 13565) making appropriation for the improvement of the Illinois River at Spring Bay, Ill.; to the Committee on Rivers and Harbors.

By Mr. McCOY: A bill (H. R. 13566) for the relief of soldiers and sailors who enlisted or served under assumed names while minors or otherwise in the Army or Navy of the United States during any war with any foreign nation or people; to the Committee on Military Affairs.

Also, a bill (H. R. 13567) providing for the erection of a public building at the city of East Orange, N. J.; to the Committee on Public Buildings and Grounds.

By Mr. WICKLIFFE: A bill (H. R. 13568) to establish in the Department of Agriculture a Bureau of Markets; to the Committee on Agriculture.

By Mr. BURLESON: A bill (H. R. 13569) to regulate the shipment of cotton in bales between the States and Territories and foreign countries and requiring the marking of the tare on each bale and prescribing penalties for deducting excess of weight as tare; to the Committee on Interstate and Foreign Commerce.

By Mr. HOWELL: A bill (H. R. 13570) to amend an act entitled "An act granting to certain employees of the United States the right to receive from it compensation for injuries sustained in the course of their employment," approved May 30, 1908; to the Committee on Mines and Mining.

By Mr. HEFLIN: A bill (H. R. 13571) to appropriate money for the eradification of the cotton-boll worm and the caterpillar in the cotton belt of the United States; to the Committee on Agriculture.

By Mr. CAMERON: A bill (H. R. 13572) to authorize and empower special road district No. 1, of Maricopa County, Arizona Territory, to issue bonds in the sum of $20,000 for the purpose of providing a fund for the construction and maintenance of roads, driveways, and highways within the boundaries of special road district No. 1; to the Committee on the Territories.

By Mr. HUGHES of West Virginia: A bill (H. R. 13573) authorizing a survey of New River in Virginia and West Virginia, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. BATES: A bill (H. R. 13574) providing for the retirement of noncommissioned officers, petty officers, and enlisted men of the Army, Navy, and Marine Corps of the United States; to the Committee on Military Affairs.

By Mr. CARTER: A bill (H. R. 13575) to provide for the sale of the surface of the segregated coal and asphalt lands of the Choctaw and Chickasaw Nations in Oklahoma; to the Committee on Indian Affairs.

Also, a bill (H. R. 13576) providing for the sale of the surface of the segregated mineral lands in Oklahoma and distribution of the proceeds thereof; to the Committee on Indian Affairs.

Also, a bill (H. R. 13577) providing for the sale of the surface of the segregated mineral lands in Oklahoma and distribution of the proceeds thereof; to the Committee on Indian Affairs.

By Mr. CLAYTON: A bill (H. R. 13578) to define and punish contempt of court; to the Committee on the Judiciary.

By Mr. BELL of Georgia: A bill (H. R. 13579) for the relief of the First Georgia State troops; to the Committee on War Claims.

By Mr. HARDWICK: Concurrent resolution (H. Con. Res. 18) to print additional copies of hearings of special committee to investigate American Sugar Refining Co. and others; to the Committee on Printing.

By Mr. CLAYPOOL: Resolution (H. Res. 281) authorizing pay of traveling expenses for certain officers and employees of the House of Representatives; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred, as follows:

By Mr. ANDREWS: A bill (H. R. 13580) for the relief of Alexander Read; to the Committee on Indian Affairs.

By Mr. BELL of Georgia: A bill (H. R. 13581) granting an increase of pension to Mary M. Evans; to the Committee on Pensions.

Also, a bill (H. R. 13582) granting an increase of pension to Mary E. Baird; to the Committee on Pensions.

Also, a bill (H. R. 13583) granting an increase of pension to Jobery Mullinax; to the Committee on Pensions.

Also, a bill (H. R. 13584) granting an increase of pension to Michael Evert; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13585) granting an increase of pension to William F. Shoemaker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13586) granting an increase of pension to Martin K. Davis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13587) granting a pension to William J. Shedd; to the Committee on Pensions.

Also, a bill (H. R. 13588) granting a pension to Swinfield Stanley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13589) granting a pension to Pinckney P. Chastain; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13590) granting an increase of pension to Elisha Anderson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13591) granting a pension to Sarah L. Bowen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13592) granting a pension to John L. Holt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13593) granting a pension to William S. Kemp; to the Committee on Pensions.

Also, a bill (H. R. 13594) granting a pension to Willis S. Howard; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13595) granting a pension to Toliver W. Corn; to the Committee on Pensions.

Also, a bill (H. R. 13596) for the relief of the heir of W. W. W. Fleming; to the Committee on War Claims.

Also, a bill (H. R. 13597) for the relief of Mrs. F. E. Chandler; to the Committee on War Claims.

Also, a bill (H. R. 13598) for the relief of William J. Cochran; to the Committee on War Claims.

Also, a bill (H. R. 13599) granting a pension to Robert Shope; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13600) granting an increase of pension to Robert C. Wallace; to the Committee on Pensions.

Also, a bill (H. R. 13601) for the relief of the heirs of William Woods; to the Committee on Claims.

Also, a bill (H. R. 13602) for the relief of heirs of William Fenn, deceased; to the Committee on War Claims.

Also, a bill (H. R. 13603) for the relief of the heirs of John C. Addison, deceased; to the Committee on War Claims.

Also, a bill (H. R. 13604) for the relief of the heirs of John C. Addison, deceased; to the Committee on War Claims.

Also, a bill (H. R. 13605) for the relief of New Hope Baptist Church, of Bartow County, Ga.; to the Committee on War Claims.

Also, a bill (H. R. 13606) for the relief of G. A. Anderson; to the Committee on War Claims.

Also, a bill (H. R. 13607) for the relief of G. A. Anderson; to the Committee on War Claims.

Also, a bill (H. R. 13608) for the relief of Jeptha B. Harrington; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13609) for the relief of George W. Burrell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13610) for the relief of Milton Holt; to the Committee on Military Affairs.

Also, a bill (H. R. 13611) for the relief of Samuel Garner; to the Committee on Military Affairs.

Also, a bill (H. R. 13612) for the relief of Hiram A. Darnell; to the Committee on Military Affairs.

Also, a bill (H. R. 13613) for the relief of George W. Hansard; to the Committee on War Claims.

Also, a bill (H. R. 13614) for the relief of William T. Edwards; to the Committee on Military Affairs.

Also, a bill (H. R. 13615) for the relief of James H. Hendricks; to the Committee on War Claims.

Also, a bill (H. R. 13616) granting a pension to Jackson A. Watkins; to the Committee on Pensions.

Also, a bill (H. R. 13617) granting a pension to Robert Wilson; to the Committee on Pensions.

Also, a bill (H. R. 13618) granting a pension to William A. Senkbeil; to the Committee on Pensions.

Also, a bill (H. R. 13619) granting a pension to Elizabeth Mullins; to the Committee on Pensions.

Also, a bill (H. R. 13620) granting a pension to Elizabeth Mullins; to the Committee on Pensions.

Also, a bill (H. R. 13621) granting a pension to Arelia C. Pool; to the Committee on Pensions.

Also a bill (H. R. 13622) granting a pension to Elizabeth Gibbs; to the Committee on Invalid Pensions.

By Mr. BURKE of South Dakota: A bill (H. R. 13623) granting an increase of pension to Noah Dujardin; to the Committee on Invalid Pensions.

By Mr. BURKE of Wisconsin: A bill (H. R. 13624) granting a pension to Edward Pfister; to the Committee on Pensions.

By Mr. COOPER: A bill (H. R. 13625) granting an increase of pension to Emil Wiegleb; to the Committee on Invalid Pensions.

By Mr. COPLEY: A bill (H. R. 13626) granting a pension to Martha Pinnick; to the Committee on Pensions.

By Mr. FOWLER: A bill (H. R. 13627) granting a pension to Rachael Milhorn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13628) granting a pension to Nerva Young; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13629) granting an increase of pension to James M. Alderson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13630) granting an increase of pension to William Fuffstuttler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13631) granting an increase of pension to Calvary Cox; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13632) granting an increase of pension to William Denham; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13633) granting a pension to Julia Schafer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13634) granting an increase of pension to John B. Standerfer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13635) granting an increase of pension to W. A. Jackson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13636) granting an increase of pension to Milton Franklin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13637) granting an increase of pension to J. A. Johnson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13638) granting an increase of pension to William H. H. Cooper; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13639) granting an increase of pension to Abraham A. Gossett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13640) granting an increase of pension to Gideon B. Mahan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13641) granting an increase of pension to William F. Ross; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13642) granting an increase of pension to Levi T. E. Johnson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13643) granting an increase of pension to William Frailey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13644) granting an honorable discharge to James Morris; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13645) granting an increase of pension to Jacob Bruder; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13646) granting an increase of pension to Daniel Banks; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13647) granting an increase of pension to James A. Beard; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13648) granting an increase of pension to George A. Clevinger; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13649) granting an honorable discharge to James Morris; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13650) granting an increase of pension to William M. Robinson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13651) granting an increase of pension to Lewis Dailey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13652) granting an honorable discharge to Morton Sessions; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13653) granting an honorable discharge to Jacob Barger; to the Committee on Military Affairs.

By Mr. JACOWAY: A bill (H. R. 13654) granting a pension to James C. Williams; to the Committee on Invalid Pensions.

By Mr. KAHN: A bill (H. R. 13655) for the relief of Drenzy A. Jones and John G. Hopper, joint contractors, for surveying Yosemite Park boundary and for damages for illegal arrest while making said survey; to the Committee on Claims.

By Mr. McKINLEY: A bill (H. R. 13656) granting a pension to Robert H. M. McFadden; to the Committee on Invalid Pensions.

By Mr. PUJO: A bill (H. R. 13657) for the relief of the legal representatives of John Calliham; to the Committee on War Claims.

By Mr. RAKER: A bill (H. R. 13658) granting an increase of pension to William H. Copper; to the Committee on Pensions.

By Mr. ROUSE: A bill (H. R. 13659) for the relief of Mrs. Sultana S. Farrell; to the Committee on Claims.

By Mr. SPARKMAN: A bill (H. R. 13660) granting a pension to James Duff; to the Committee on Pensions.

Also, a bill (H. R. 13661) granting a pension to Herbert Green; to the Committee on Pensions.

Also, a bill (H. R. 13662) granting a pension to James E. Whitehead; to the Committee on Pensions.

Also, a bill (H. R. 13663) granting an increase of pension to Calvin C. Collier; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13664) granting an increase of pension to John Walker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13665) granting an increase of pension to Stephen Phillips; to the Committee on Pensions.

By Mr. SWITZER: A bill (H. R. 13666) granting a pension to Rosa Baldwin; to the Committee on Invalid Pensions.

By Mr. THISTLEWOOD: A bill (H. R. 13667) granting an increase of pension to David Lee; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13668) granting an increase of pension to James B. Gordon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13669) granting an increase of pension to Jehu H. McLain, alias Michael McLain; to the Committee on Invalid Pensions.

By Mr. TOWNER: A bill (H. R. 13670) granting a pension to Martha E. Tadlock; to the Committee on Pensions.

By Mr. TALBOTT of Maryland: A bill (H. R. 13671) granting an increase of pension to William Thomas Hunt; to the Committee on Invalid Pensions.

By Mr. WARBURTON: A bill (H. R. 13672) granting an increase of pension to Van Ogle; to the Committee on Pensions.

Also, a bill (H. R. 13673) granting an increase of pension to Eligah A. Myers; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ESCH: Petition of citizens of Wisconsin in favor of legislation to forbid the shipment of liquor into "dry" States; to the Committee on Alcoholic Liquor Traffic.

By Mr. FULLER: Petition of citizens of Streator, Ill., urging the creation of a department of health; to the Committee on Interstate and Foreign Commerce.

By Mr. GOLDFOGLE: Resolutions of District Grand Lodge, No. 2, Independent Order B'nai B'rith, relating to Russia's refusal to honor passports of Jewish American citizens, and favoring abrogation of Russian treaty, as proposed by the Goldfogle-Harrison-Sulzer resolutions (H. J. Res. 5 and 30); to the Committee on Foreign Affairs.

By Mr. GRAHAM: Petition of Edmund Miller, of Rochester, Ill., asking for the passage of the Webb interstate-commerce bill; to the Committee on Interstate and Foreign Commerce.

By Mr. JACOWAY: Papers to accompany House bill 13205; to the Committee on Military Affairs.

Also papers to accompany House bills 13206, 13207, and 13214; to the Committee on Pensions.

Also, papers to accompany House bill 13213, granting an increase of pension to Albion Jackson; to the Committee on Invalid Pensions.

By Mr. KAHN: Resolutions of Lincoln Post, No. 1, Grand Army of the Republic, of San Francisco, Cal., against Senate bill 2925, appropriating $125,000 for a Confederate naval monument at Vicksburg, Miss.; to the Committee on Appropriations.

By Mr. KORBLY: Petition of James W. Duhamell and others, of Indianapolis, Ind., requesting an investigation into conditions at the Federal prison at Fort Leavenworth, Kans.; to the Committee on Military Affairs.

By Mr. MARTIN of South Dakota: Resolutions of Jack Foster Camp, No. 3, United Spanish War Veterans, Department of South Dakota, urging that pensions be granted honorably discharged veterans of the Spanish War, etc.; to the Committee on Invalid Pensions.

By Mr. PUJO: Affidavits in re claim of estate of James Calliham for horses, sugar, etc.; to the Committee on War Claims.

By Mr. RAKER: Papers to accompany House bill 5277, granting a pension to Arthur B. Brooks; to the Committee on Invalid Pensions.

Also, papers to accompany House bill 12501, granting a pension to Zebina M. Hunt; to the Committee on Pensions.

By Mr. SHEPPARD: Papers to accompany House bill 13554, for the relief of the heirs of Simon Kirkpatrick, deceased; to the Committee on War Claims.

By Mr. STEPHENS of Texas: Petition of Keetoomah Band of Cherokee Indians, against the further enrollment of Indians of that tribe; to the Committee on Indian Affairs.

By Mr. WEBB: Petitions of citizens of Morganton and Kings Mountain, N. C., and of Jesse Herrell, of Ewart, N. C., asking for a reduction in the duty on raw and refined sugars; to the Committee on Ways and Means.

SENATE.

TUESDAY, *August 15, 1911.*

Prayer by the Chaplain, Rev. Ulysses G. B. Pierce, D. D.

The VICE PRESIDENT resumed the chair.

The Secretary proceeded to read the Journal of yesterday's proceedings when, on request of Mr. LODGE and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

ENROLLED BILLS SIGNED.

The VICE PRESIDENT announced his signature to the following enrolled bills, which had heretofore been signed by the Speaker of the House of Representatives:

S. 2932. An act to authorize the Secretary of the Treasury, in his discretion, to sell the old post-office and courthouse building at Charleston, W. Va., and, in the event of such sale, to enter into a contract for the construction of a suitable post-office and courthouse building at Charleston, W. Va., without additional cost to the Government of the United States;

S. 3152. An act extending the time of payment to certain homesteaders in the Rosebud Indian Reservation, in the State of South Dakota; and

H. R. 2925. An act to extend the privileges of the act approved June 10, 1880, to the port of Brownsville, Tex.

EXECUTIVE SESSION.

Mr. LODGE. It is necessary to have an executive session for a very few minutes. It will take only a few minutes on a matter that is important. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 45 minutes spent in executive session the doors were reopened.